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ABSTRACT

This document contains oral testimony by state and government officials, prepared statements, and supporting materials concerning food assistance for the homeless. The bills before the Senate would increase Temporary Emergency Food Assistance Program (TEFAP) funding by $10 million in fiscal year 1987, and $20 million in 1988. According to John W. Bode of the Department of Agriculture, only .01 percent of TEFAP recipients are homeless; the needs of the homeless are best met through the Food Distribution Program to Charitable Institutions. Veronica A. Celani of the Vermont Department of Social Welfare applauded the bill's provision for 50 percent Federal matching for outreach directed at homeless individuals, and spoke in support of the homeless legislation passed by the House of Representatives (H.R. 558) and the Senate bill. R. Susan Motley of the New York City Human Resources Administration detailed the situation of the homeless in New York City and spoke in favor of an amended version of the bill. Robert J. Fersh of the Food Action and Research Committee also supported the bill. Also included are the texts of the two proposed bills S.728 and S.812. (BJV)

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S. HRG. 100-207

NUTRITION FOR THE HOMELESS

HEARING

BEFORE THE

SUBCOMMITTEE ON
NUTRITION AND INVESTIGATIONS

OF THE

COMMITTEE ON AGRICULTURE NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

S. 728

A BILL TO IMPROVE THE NUTRITION OF THE HOMELESS, AND FOR OTHER PURPOSES;

AND

S. 812

A BILL TO AMEND THE FOOD STAMP ACT OF 1977 TO PROVIDE URGENT RELIEF TO IMPROVE THE NUTRITION OF THE HOMELESS, AND FOR OTHER PURPOSES (NUTRITION FOR HOMELESS INDIVIDUALS ACT OF 1987)

APRIL 2, 1987

Printed for the use of the
Committee on Agriculture, Nutrition, and Forestry

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NUTRITION FOR THE HOMELESS

THURSDAY, APRIL 2, 1987

U.S. SENATE,
SUBCOMMITTEE ON NUTRITION AND
INVESTIGATIONS OF THE COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:36 p.m., in room SR-332, Russell Senate Office Building, Hon. Tom Harkin (chairman of the subcommittee), presiding.

Present or submitting a statement: Senator Harkin.

STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM IOWA

Senator HARKIN. The Subcommittee on Nutrition and Investigations of the Committee on Agriculture, Nutrition, and Forestry will come to order.

The Chair wishes to apologize to those of you who are testifying, and some of you have come a great distance, for our tardiness in starting. As you probably know, we have just had a very important vote on the Senate floor on the veto override of the Highway bill, and for those of you who have not been glued to your TV sets or radios, the Senate just voted to override the President's veto, so the bill was passed.

I do apologize for being late, but I'm sure you understand that we had to be there for that vote. Due to our lack of time, I will forgo my opening remarks which, without objection, will be included in the record.[1]

Our first witness is Assistant Secretary Bode. Before we get started, I have been informed that there is someone here on our panel, Ms. Celani, who has to catch a plane at a certain time. Tell me what time that is and I can get you out of here.

Ms. CELANI. I have to get out of here by 3:15.

Senator HARKIN. We will get you out of here by 3:15. We will get you on right after the Assistant Secretary.

I want to welcome you all here today and to thank our witnesses for coming on short notice. Today's hearing deals with an issue of recognized urgency, namely, food assistance for the homeless. We have made several efforts to deal with this issue in the last several years and, as Mr. Bode will tell us, much has been done and much is being done. I would also note that much remains to be done.

[1] See p. 23 for the prepared statement of Senator Harkin.

We are losing ground. Today's edition of the Washington Post reported a 20 percent increase in homelessness during the past winter alone. Another study by the U.S. Conference of Mayors identified families with children as the fastest growing segment of homeless individuals. The estimates indicate between 28 and 35 percent of the homeless are families with children.

Today's hearing deals with two bills, S. 728 and S. 812,[2] both of which provide food assistance to the homeless. The main provisions are basically the same, expedited food stamp service to the homeless and extending the authorization of the appropriation for administrative and storage costs associated with TEFAP.

The homeless bill has had the bipartisan support of the Senate leadership and a similar measure, H.R. 558, has already passed the House.

According to a recent survey by the House Select Committee on Hunger, 15 percent of eligible homeless are not receiving food stamps. There are indications that many of them are incapable of completing the application without assistance.

The House committee said that 9 percent of the homeless actually rely on dumpsters for their principal source of food. Well, this is a problem that we are here to deal with. We have a small, but very significant part of the homeless bill to deal with today, and we will be going to markup tomorrow morning in full committee.

Again, Secretary Bode, welcome to the subcommittee. Try to get through your remarks in 5 to 7 minutes, but take whatever time you think is necessary to make your points, and then we will try to get on expeditiously.

Thank you.

STATEMENT OF HON. JOHN W. BODE, ASSISTANT SECRETARY, FOOD AND CONSUMER SERVICES, U.S. DEPARTMENT OF AGRICULTURE

Mr. BODE. Thank you. I will summarize my comments even further than I had planned to.[3] It is a pleasure to be here and I appreciate the opportunity.

We feel it is important, in addressing legislation on this subject, to bear in mind the complexity of the problems, in that there is a significant amount of work underway at this time to assist the homeless. The Federal Government helps meet the needs of the homeless through a number of programs.

In fiscal year 1987, the Federal Government will commit over $260 million, more than in any previous year, on programs targeted specifically to the homeless. In addition to these, many other existing Federal grant and entitlement programs can be used to fund State and local efforts to provide services and facilities for the homeless.

State and local governments could also target even more of the over $6 billion already available this year through the Community Development Block Grant, the Social Services Block Grant, as well as other grants, to address the needs of their homeless citizens.

[2] See pp. 109 and 118 for a reprint of S. 728 and S. 812.
[3] See p. 25 for the prepared statement of Mr. Bode.

In addition, although it is impossible to quantify the spending on the homeless, it is very likely that programs such as Food Stamps, Supplemental Security Income, Aid to Families with Dependent Children, and other such programs provide the largest Federal support for that population.

The Food Stamp Program's regulations have contained no barriers to participation by homeless persons since 1978. On three occasions, we have gone back to our regional offices and asked them to review this formally with the State, to assure that these sorts of barriers that we have heard about, and that I know you have been very concerned about, Senator, are not functioning.

The Homeless Eligibility Clarification Act, approved October 27, 1985, contained several provisions affecting the food stamp participation of homeless persons. In particular, the law provides that homeless food stamp recipients may use their food stamps to purchase prepared meals at authorized public or private nonprofit establishments which feed homeless persons. A regulation implementing these provisions was published on March 11 of this year and went into effect yesterday.

The two bills currently being considered by the committee would add another definition of the homeless to the Food Stamp Act. This would be a different definition than the one contained in the recently implemented homeless provisions. This new definition is, in our view, overly broad, and would include many who are not homeless, such as individuals living in temporary arrangements with relatives and friends.

This is especially important, Senator, and I think one of the primary points I would like to make is the Food Stamp Program is designed to provide benefits quickly to the most needy. Applicant households with gross incomes of $150 per month or less, and not more than $100 in liquid resources, are eligible for benefits within 5 calendar days if otherwise eligible.

Currently, about one-third, Senator, of all applicants receive expedited service. Under our current definition, we would expect most homeless individuals to meet these criteria and be eligible for expedited services.

One of the provisions of the two proposed bills being considered is to expand expedited service to households with combined gross income and liquid resources less than monthly rent and utilities. This would expand this current definition significantly. It should be noted that we have considerable experience where household income is less than living costs. These types of situations are error-prone because all income and resources have not been reported or counted. To be sure, our goal and Congress' goal is to have rapid and accurate determinations of program eligibility in order to quickly get benefits to those entitled to them. The Food Stamp Program is, as you know, one of the most responsive of all assistance programs.

On average, applicants receive benefits in less than 20 days. Regrettably, we have evidence that a number of States are experiencing great difficulty in meeting the present expedited service requirements. This second addition to the homeless definition, by expanding expedited service eligibility, would aggravate these problems and dilute the effectiveness of expedited services.

Senator, I was going to make two other points. The first is that we have a particularly notable study underway which addresses the homeless and food assistance for the homeless, as well as a clearinghouse which we are working on to be of assistance to this segment of the population.

Second, and more importantly for the homeless, the food distribution program to charitable institutions is a particularly effective tool in providing food assistance to homeless individuals.

I think these programs are well known to you so I will not mention them here, knowing of your good knowledge of these programs.

Our big concern, if I may say once again, is the significant broadening of the number of people who will be eligible for expedited service. Our fear is that this will aggravate a problem that currently exists in a number of States, that is, not meeting the present expedited service requirements.

Thank you.

Senator HARKIN. Well, let us just start right there. What can be done about these States? For instance, the court case of *Harley* v. *Lyng* was decided last October, in Pennsylvania. You probably have some knowledge of it.

Mr. BODE. Yes.

Senator HARKIN. Anyway, the Judge found that the undisputed record provides over 400 examples of the State agency's dereliction of duty. He said it would be unwieldy to detail each of these examples and did not do so, but let me just point out one thing here.

He said these violations that are listed here—and let me just read some of them—certain organizations, he said, certain CAO's, county assistance offices set a maximum number of applications that will be accepted for processing in any day, turning others away. Other CAO's set cutoff times, after which they will not accept applications, for example, no application will be received after 9 a.m. The Eastern District Office posted a sign in the reception area explaining that usually no applications will be received after 9 a.m., and that agents will not guarantee to see prospective applicants who arrive after 8:30 a.m.

Here is another one: Prospective applicants are given application forms and told to take them home and fill them out and mail them in. Now, he said these violations not only deny applicants the general right to food stamps, it also impairs plaintiff's particular right to expedited issues.

What do we do about these violations like that?

Mr. BODE. Senator, I share your concern about it. What I have recently done is to discuss the matter with the Secretary, who has had a longstanding concern in this general area of degradation of services. He urged me to talk with the Inspector General about it, and I recently wrote the Inspector General, asking him to specifically address concern regarding access to the expedited service efficiencies. He is now attempting to get a better fix on exactly where the problems exist.

We have recently initiated an effort to quantify the problem and to find out exactly where the problem is so we can address it with more precise information. In addition, we have gone out to our regional offices and asked them to work with the States aggressively

and pay particular attention, not only to expedited service problems, but also problems of negative action in Food Stamp Program cases. In such cases someone who is eligible makes application for food stamps, they, but through an error, are turned down.

Now, those two areas are being particularly targeted by our regional offices who are responsible for reviewing State operations and working with the States. We have also brought the problem to the attention of the Inspector General for the purpose of his identifying areas where States are not in compliance with the requirements of the law.

Senator HARKIN. Well, what can you do? Here is a place where they say, here is an application, take it home and fill it out and mail it in. What can you do about an assistance office that tells people that? I mean, what action can you take? Rather than just studying it, what action can you take to straighten them out in a hurry?

What if one of my constituents complains to me and says, Senator, I work at one of these homeless shelters, and a person came in and went down to get food stamps and they said take this application home and mail it, and they don't even have the money for a stamp, let alone even know how to fill it out.

What would I tell a person like that? What action can be taken to straighten that out?

Mr. BODE. Of course, in situations where the law is not being followed, we have the authority to document that as a problem and, based on that, we can ultimately withhold administrative funding from the State for failing to comply with the requirements of the law. That is why one of the key steps for us was to get to the Inspector General and say we think we have got some serious problems here, let us find out where it is, what the nature of that problem is and quantify it and take action.

Our Regional Administrator has been working with the State of Pennsylvania. As I believe you noted in the style of that case, USDA was made a party and, as I recall, the case has been settled. One of the best attorneys at the Department came up to work for the committee. It was settled, was it not?

In essence, procedures were modified and——

Senator HARKIN. And these problems were taken care of, you say, in Pennsylvania?

Mr. BODE. Yes, sir. I guess my point is that does not mean there are no other problems.

Senator HARKIN. I am sure there are.

Mr. BODE. And that is why we are concerned and have gone out to our regions and also gone to the Inspector General. I should also note that we will be, as soon as we can, providing to the Congress the results of a study that we have done on expedited services.

There again, it will indicate that we have had some significant problems with noncompliance with the requirements.

Senator HARKIN. Do you have any evidence at all that the error rates of expedited households is any higher than for other households?

Mr. BODE. No, sir, no evidence of that.

Senator HARKIN. If the error rate then for expedited households is not any higher than for other households, why would we need any different type of regulations?

Mr. BODE. Well, the principal difference here is we are talking about expedited service. These households are entitled to assistance within 5 calendar days. We are now in a situation where about one-third of the food stamp applicants are eligible for this type of service. The way it works—it is a simplistic sort of analogy, but in essence about one-third of the cases are pulled out of line and moved to the front of the line, and that is disruptive. We are concerned that expanding that category to a broader group is going to make it even more difficult and dilutes the effectiveness of getting the assistance to those with the greatest needs. This is particularly true in those States where we have States not meeting the expedited service requirement.

Senator HARKIN. Just one last thing, and that is the TEFAP program. I do not know if you addressed it in your prepared statement.

Mr. BODE. I did briefly. I guess that was one of the things that I really skipped over in trying to summarize my prepared statement.

Senator HARKIN. Let me just take a look at it. We have reports that FNS notified States in early January to stop spending TEFAP funds and that no funds would be provided for the third and fourth quarters of the fiscal year. Yet, a deferral message was not delivered to Congress until late January. Can you address this situation? Was this the course of events that took place?

Mr. BODE. Yes. You may recall, we talked about this a little bit when I testified before you at Senate Appropriations and Senator Burdick discussed this at some length with me. We had a situation where we were concerned that the President's budget indicated when it was announced in very early January, that a deferral would be requested for TEFAP moneys, as that notice reflects.

So we immediately went out and alerted the States that a deferral was anticipated so they would be aware of what the proposal was. The formal deferral request was not transmitted until the full formal text of the President's budget became available at the end of the month. Of course, all of that is now moot since the deferral was not well received by Congress and the President signed the bill and the moneys were immediately put out to the States.

Senator HARKIN. Were there any disruptions in the programs because of the notice to the States?

Mr. BODE. I think there were certainly some administrative concerns; meetings and contingency planning which may have been disruptive. I have to concede that occurred. I do not think we had a situation where there were any commodities which were not distributed as planned, and the staff is telling me I am right in that recollection.

Senator HARKIN. Who sent this notice out?

Mr. BODE. Well, I must take full responsibility for that, sir, because I knew that was intended to be a portion of the President's budget submission. It was referred to in the President's budget submission of early January, and I was eager for the States to be aware of that proposal as soon as possible, so I directed our region-

al offices to get that information to the States as quickly as possible.

Senator HARKIN. Lastly, what are your views on the cheese provisions of S. 558? It says the Governors can request surplus cheese.

Mr. BODE. We do not care for those provisions at all, Senator.

Senator HARKIN. You do not mind them or you do not—I do not know what you mean by you do not care for them.

Mr. BODE. Well, we object to those provisions.

Senator HARKIN. Oh, you object to them.

Mr. BODE. Yes. The reason is they operate in complete disregard, in my view, of the clearly identified displacement facts that are referred to in our reports to Congress——

Senator HARKIN. Displacement effects?

Mr. BODE [continuing]. Displacement effects of the cheese distribution activities. There is always a whole set of economic models presented in our report to Congress that indicates cheese distributions cause very significant reductions in cheese purchases. That is one of the things that the Department is specifically charged with preventing in our management of the program under the statute.

What we have done is to encourage States to reduce eligibility for TEFAP so that its eligibility is extended only to the lowest income people and also to manage the distributions in a fashion which would minimize displacement.

In essence, we have not gone forward and distributed additional cheese because of those displacement concerns. It seems to me that displacement is most likely to occur in the States where there is a much higher rate of cheese distribution per low-income person or cheese going to higher income persons, and that is the situation those provisions would get us into.

Right now, our cheese is distributed according to a formula that is based on the number of low-income and unemployed persons in a State. I think that is the most equitable sort of situation.

Senator HARKIN. I really do not have anything else, unless you have something else. Counsel wants me to ask you why there is such a low number of people that participate in TEFAP, 0.1 percent?

Mr. BODE. That is the percentage of people receiving TEFAP who were homeless, and in part that is because fortunately the situation of the homeless in America is of very grave concern. There are not as many homeless people and that is why we have less than 1 percent of the people getting TEFAP who are homeless.

Senator HARKIN. So what you are saying is that 0.1 percent of the TEFAP recipients are homeless people?

Mr. BODE. Yes, sir.

Senator HARKIN. Oh, I see. Well, the way the sentence reads it indicates that very few homeless persons participate in TEFAP, the 0.1 percent is not 0.1 percent of the homeless who are applying. Is that correct?

Mr. BODE. I would like to say, though, that the food distribution program to charitable institutions is the commodity assistance program that is most effectively addressing the needs of the homeless.

Of course, handing someone a block of cheese or a bag of flour is not the kind of assistance that is really the most helpful to homeless individuals. Instead, the food distribution program to charita-

ble institutions, where a warm meal is provided to the homeless individual is more helpful.

Thank you, Senator.

Senator HARKIN. Thank you very much, Mr. Secretary.

Our next panel is Veronica Celani, commissioner of the Vermont Department of Social Welfare, and R. Susan Motley, Executive Deputy Administrator for External Affairs, New York City Human Resources Administration.

I understand, Ms. Motley, you are accompanied by Solomon Malach, deputy general counsel, New York City Human Resources Administration. Thank you very much, both of you, for coming.

What I plan to do is let Ms. Celani go first for several minutes. She has to leave by 3:15.

Ms. Celani, thank you. By the way, I wanted to apologize for the distinguished chairman not being here. Senator Leahy wanted me to express his regrets to you, as he is involved in an extensive hearing in another committee today and could not make it.

STATEMENT OF VERONICA H. CELANI, COMMISSIONER, VERMONT DEPARTMENT OF SOCIAL WELFARE

Ms. CELANI. Thank you. I understand.[4]

I will summarize my prepared statement, even though it is brief, and I will just hit the high points. Again, I want to thank the subcommittee for giving me this opportunity to come before it.

We concur that this is a poverty related issue that is national in scope, and I think it is important that it should be addressed at the congressional level.

Even though Vermont is a very small rural State and we have a population of only 550,000 and an unemployment rate that is more than 2 points below the national level, we still have a substantial problem. We find that 1,800 homeless individuals still are searching for shelter in the State. We can certainly understand the kind of problem that this would entail on the national level.

We also find that of those that are homeless, that they are no longer limited to what tended to be the single male of the population. What we are seeing is families with children, people who are younger in age, people who have lost benefits, and these folks are not simply people who are connected with substance abuse and mental illness. They are the new homeless, people who have no jobs, people who cannot find homes, and even so, 70 percent of them tend to be from the very State in which they are homeless. This is not a transient population that is going from State to State.

We think that this bill is a very positive approach to the problem of the homeless. We feel that the definition of "homeless" is all inclusive and we applaud that definition.

The homeless bill also makes provision for 50 percent Federal matching for outreach directed at homeless individuals. We think this is very important. We indeed do think that not getting that information out is one of the primary reasons for people not participating in the program, and the fact that there is no one frequently to help them complete those applications.

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[4] See p. 34 for the prepared statement of Ms. Celani.

You made the comment about workers handing an application to someone, saying go home, fill it out and send it back. The kind of complex application process requires more help than that, and the complexity gets worse every day.

Vermont does not anticipate any problem in providing the food stamps to the two new expedited service categories no later than the 5 calendar days after the date of application. Given how you have raised the issue that States have problems in this area, I think it may require some comment on why is it that Vermont does not.

We are small, that is true, and our population that is eligible therefore is small. On the other hand, if you look at it proportionately, we probably have to process as many applications as anyone else.

I think it has to do with an attitude, and one where we take a lot of pride in making sure that people receive their benefits in a timely manner and they receive it in the amount that they are entitled to.

I think one of the things that makes it increasingly difficult for States to approach things in that manner is the fact that there is an absolute obsession on the Federal level, with quality control, error rates and sanctions, which makes it very difficult to concentrate on what other areas of importance are in the program, things like assuring that there is timeliness, that we do extend ourselves in making sure that people understand those rules, and that we gather all the evidence necessary to help applicants establish eligibility. In other words, the program is too complex, the paperwork is too burdensome, it is too onerous, and people do not understand the rules.

I would also like to point out that the homeless legislation passed by the House of Representatives, H.R. 558, a provision was made to raise the excess shelter cost limit for households that do not contain an elderly or disabled member from $149 to $168 monthly. It is regrettable that the Senate bill does not include this measure.

In Vermont, our most current data shows that 69 percent of the food stamp households have excess shelter costs that exceed the present standard. This is a glowing example that illustrates how the program has been eroded and has not kept pace with the needs of low-income households. This also has a direct bearing on the homeless issue, as the lack of affordable housing is a big contributor to the dramatic increase of homeless individuals.

Although it is not in my prepared statement, I would like to remark that another contributor to the homeless problem is the present definition of "household" in the Food Stamp Program. There is a disincentive to take in a relative or a friend if they are homeless if one's food stamps decrease as a result of the income of the additional household member or as a result of the income and resources of the host household making it impossible for the homeless household to receive food stamp benefits.

If the committee would care to examine this issue, we would recommend an economic unit definition of legally liable people comprising the household unit.

My final comments relate to the increased funding proposed for TEFAP with the provision that the amounts appropriated in excess

of $50 million be targeted for the homeless. Again, we cannot argue with the good intention of this provision, but Vermont does have some concerns.

First, as funding from TEFAP is already inadequate to cover current storage and distribution costs, we would not like to see any new allocation formula introduced that could, in effect, reduce our funding below its current value.

Second, we request that the targeting of TEFAP funds for the homeless not be accompanied by a layer of burdensome supportive paperwork, and that the limitations on the use of the funds not be so restrictive as to make their use ineffective.

We want to thank you again for allowing us to come and report on this bill.

Senator HARKIN. You do support the bill. You are saying that you support the House bill a little bit more, though, right?

Ms. CELANI. Yes.

Senator HARKIN. Thank you very much for coming this distance and giving your testimony.

Ms. CELANI. Thank you.

Senator HARKIN. I have just a couple of questions.

Mr. Bode said, as you heard, that he felt that the best way to get food to the homeless was not through the TEFAP Program, which of course gives out commodities, but that for a homeless person the best source of food is food shelters, places that have feeding programs such as soup kitchens.

What is your response to that?

Ms. CELANI. I think both are necessary. I think that there is a fine line between people who are homeless and people who are at such subsistence levels already that they are standing in line for cheese and rice and whatever else is available, and sometimes that little amount makes the difference before they become homeless. So I would not make such stringent distinctions as to which line they have to stand in to get assistance to help them with their problems.

Senator HARKIN. Ms. Celani, we are defining homeless as individuals or families who have no fixed residence. Homeless does not mean they are necessarily out on the street. They may be in temporary shelters or going from one temporary shelter to another. You are saying that in those cases, that maybe TEFAP would be all right because they have some place to go?

Ms. CELANI. Many of them go from one relative or one friend to another and then go into a shelter and back out again. It is a very precarious existence for many people.

Senator HARKIN. I guess in the extreme, for those that are on the streets, obviously the soup kitchen is the best place.

Ms. CELANI. Right.

Senator HARKIN. Vermont does not anticipate any problems with providing food stamps to the two new categories in 5 days, correct? You do not foresee any problems there?

Ms. CELANI. No.

Senator HARKIN. I want to ask you about the data on the 69 percent of the food stamp households having excess shelter costs. That is the $149?

Ms. CELANI. That is right.

Senator HARKIN. What do you think would happen if we raised it to $168, what would that 69 percent figure look like? Would that go down?

Ms. CELANI. We did not really look at that. When we look at how much many of our households spend, some of them spend up to 50 percent of their income or more on housing, and so I am not sure that the 69 percent would improve substantially. On the other hand, a little improvement is better than no improvement.

Senator HARKIN. Has the complexity and the pressure of Federal sanctions caused Vermont to withhold benefits or slowed the issuance of benefits to participants?

Ms. CELANI. I would say that that is a difficult thing to measure. I think it puts a chilling effect, that when you pressure a worker to make sure that their error is under 5 percent, that worker is going to look two times and three times at something before he feels comfortable in granting, and so although I could not say that a worker would willfully withhold benefits on that basis, I definitely think there is a chilling effect there.

Senator HARKIN. It is like playing devil's advocate with you. Obviously, you have to have some way of keeping error rates down.

Ms. CELANI. We do. We have supervisory reviews. We have an intensive review system, all very much influenced by the degree of oversight we have in those area. One of the things we would say is that the program needs to be examined in the broader perspective in terms of what is intended besides simply $1 or $2 overpayment or whatever amount of overpayment, and that the tolerance level of 5 percent in a program of such complexity is highly unrealistic, particularly when you compare it to some of the programs that the Federal Government administers, whether we are talking about the IRS or whether we are talking about Social Security. I would like to see what Social Security's error rate is within the framework of providing benefits to elderly individuals who have very few changes in their circumstances.

Senator HARKIN. Anything else?

Ms. CELANI. No. Thank you.

Senator HARKIN. Thank you very much.

Ms. CELANI. Thank you.

Senator HARKIN. Are you going to be OK in making your plane back to Vermont?

Ms. CELANI. Yes. I appreciate very much how you are doing this.

Senator HARKIN. R. Susan Motley, we have a copy of your prepared statement and, without objection, of course, all of the prepared statement will be made a part of the record. Again, we want to thank you for coming today. If you could perhaps summarize, your prepared statement, I would be interested in hearing it.

R. SUSAN MOTLEY, EXECUTIVE DEPUTY ADMINISTRATOR, EXTERNAL AFFAIRS, NEW YORK CITY HUMAN RESOURCES ADMINISTRATION

Ms. MOTLEY. Thank you, Senator Harkin. I will try to abbreviate, if not summarize, my prepared statement.[5]

[5] See p. 39 for the prepared statement of Ms. Motley.

As you may know, New York City's Human Resources Administration is primarily charged with helping the city's poor and we do administer the Food Stamp Program, the emergency and transitional housing programs for homeless individuals and families, and emergency food assistance programs. The Urgent Relief for the Homeless Act of 1987, is for us, a very vital piece of legislation.

This is an opportunity for us to testify on this legislation, not only because the legislation is important, but it is also an opportunity to help provide a more coordinated approach to the problems of the homeless.

We support the Omnibus bill. Today, I will pay special attention to the nutrition section of S. 812. In particular, I want to discuss the importance of the Senate including in this bill a provision that would require localities to exclude as income the third-party shelter payments we make to hotels when determining food stamp benefits levels for homeless families. This provision is of vital importance to homeless families and is included in H.R. 558, recently passed by the House.

I also would like to discuss, in a very abbreviated way, including in this bill a provision to amend Public Law 99-570, the Homeless Eligibility Clarification Act of 1986, which allows homeless individuals to receive food stamps. This law, though well intended, creates several severe problems which we believe must be corrected by statutory changes.

New York probably has the largest homeless population in the country. We are sheltering each night an average of 10,400 single individuals in 26 shelters for adults. As of March 1, 1987, our homeless families population has grown to 4,781 families, of whom almost 12,000 are children. This is a very important note. There are more children in our homeless family population than there are single individuals in our single shelters.

The total price tag for our programs for homeless New Yorkers is $240 million, with $115 million going to the program for adults and $125 million going to the family program.

The provision of meals is, by and large, completely different for homeless individuals, compared to homeless families. All of our adult shelters, for instance, serve three meals a day, as do some of our family centers. However, and unfortunately, nearly 75 percent of the homeless families live in hotels. That is about 9,257 children living in hotels, which by definition do not have cooking facilities.

Most of our hotel rooms have small refrigerators. Food must be purchased that is already prepared or from small delicatessens. It is far more expensive than going to a supermarket, stocking up on bargains and then coming home to a fully equipped kitchen.

While there are onsite dining programs at two of the largest hotels, and in some cases there are soup kitchens within walking distance, most homeless families are not ensured three meals a day and must rely on a portion of their basic grant, their food stamps, their restaurant allowance, and their ingenuity to make it through the month.

Despite the difficulties that homeless families face, a recent decision by the U.S. Department of Agriculture has reduced this food stamp benefit. We are now required to count the emergency shelter grant as income up to an amount equal to the maximum shelter

allowance in calculating the food stamp benefits of families living in hotels.

The inclusion of this additional income in the calculation significantly reduces the food stamp benefits for these families. A typical family of four has had their benefit reduced from $143 to $62 a month. The total loss to these homeless families in New York is $3 million.

The USDA policy reversal is both shortsighted and unfair. This antifamily USDA policy literally takes food from the mouths of babes. The special and unfortunate circumstances of homeless families are unique. USDA fails to take into account that food preparation is simply not possible for hotel families, and that full food stamp benefits are not just appropriate, but vital.

The USDA third-party ruling is not the only instance where existing rules have resulted in the loss of food stamp benefits to homeless families. If you will bear with me for a moment, I would like to tell you the history of the restaurant allowance.

Ever since we first started placing homeless families in hotels, we recognized that children in homeless families living in hotels did not receive enough food stamps to meet their needs. To address this concern, New York City decided to supplement their food stamp allotment with a restaurant allowance, which is half supported by Federal funds and half supported by State and local funds. USDA required that this restaurant allowance, however, must be counted as income for the purpose of calculating food stamp benefits. The inclusion of the restaurant allowance as additional income resulted in a loss of $80 per month in food stamps for the families.

As you know, every $4 in income, you lose $1 in food stamps. In 1986, the USDA ruling on third-party payments also resulted in a loss of food stamp benefits. Because of that ruling, a family of four, assuming one adult and three children, for example, lost $81 per month in food stamps. In October 1986, we in New York took action to ameliorate the impact of the USDA third-party shelter payment decision. We increased the restaurant allowance again for hotel families by $36 per month per person for each child and pregnant woman. As a result of this further increase, homeless families again suffered a loss in food stamp benefits. The same family of four lost an additional $29 per month in food stamps, for a total of $110 per month since the USDA ruling.

In New York City, therefore, we have come to recognize how difficult it is for homeless families to make ends meet. We recognize the predicament of a mother living in a hotel room without cooking facilities who must, somehow, provide her children with nutritious meals. I know many families manage, but without adequate cooking facilities, other than an illegal hotplate and a skillet, we know it takes extraordinary organizational and budgetary skills. We know that some families are having a hard time stretching their food dollars through the month.

To further assist families when food stamps and restaurant allowances are not enough, New York City supplements the efforts of local soup kitchens and food pantries with the Temporary Emergency Food Assistance Program, known as TEFAP. Through this program, this year we will purchase more than $2 million worth of

food and distribute it to 350 soup kitchens and food pantries throughout the city.

With this background in mind, you may be able to realize the importance of maximizing food stamp benefits for homeless families. I would like to touch on, though, the importance of excluding from income payments made to third parties for shelter when determining a household's food stamp benefit level.

H.R. 558, the Urgent Relief for the Homeless Act, which has been passed by the House, includes a provision to restore food stamp benefits to homeless families and their children by not counting third-party payments made for temporary housing. We strongly support the House language and urge you to incorporate this provision into S. 812.

The House bill clearly states that all payments made for temporarily housing persons be excluded as income for the purpose of calculating food stamp benefits. Such temporary housing would have to lack either facilities for the preparation and cooking of hot meals or the refrigerated storage of food for home consumption. Such a change would require that homeless persons temporarily residing in such facilities would be provided with the increased food stamp benefits consistent with their temporarily increased need. The legislation should also make it clear that such third-party payments can be voluntary on the part of the participant.

When USDA issued its recent policy on third-party shelter payments, we wrote to Secretary Lyng requesting him to reverse his decision. However, he has disagreed with our opinion and has declined to change his mind.

The fair resolution of this problem is to recognize that these homeless families lack cooking and storage facilities and should be provided with food stamp benefits commensurate with their emergency and temporary living situations.

In addition to increasing food stamp resources to homeless families, I would also urge that the rules on the provision of food stamps to homeless individuals be improved. As of yesterday, the city of New York commenced the processing of applications for food stamps by homeless individuals pursuant to the Homeless Eligibility Clarification Act of 1986, Public Law 99-570. While we are fully supportive of the purposes of this legislation, I have grave concerns about some unintended effects of this law.

The law allows homeless individuals residing in nonprofit shelters to receive food stamps. Shelter operators and other nonprofit food providers may request, but not require, homeless individuals to use their food stamps voluntarily to help defray the cost of meals. The operators must be properly certified, ensure that the person presenting the food stamps is a qualified homeless individual, and charge no more than the cost of the actual food in the meal, not the cost of preparation. I believe these requirements will result in confusion and a number of policy and administrative problems.

As you know, as I stated earlier, New York houses about 10,000 homeless individuals, all of whom are provided three meals a day. Under the statute, these individuals will also be eligible for a monthly food stamp allotment of approximately $81.

The procedures for providing prepared meals to the homeless under this statute are structured so as to make its implementation by either government or not-for-profit organizations difficult, if not impossible. If a soup kitchen, for example, charges everyone, including food stamp recipients, it will turn away many truly needy individuals. If it charges no one, and asks for voluntary donations of food stamps, it will receive very few food stamps with which to initiate new food programs on the prospect of a continuing revenue stream. Also, determining whether a person requesting meals is an eligible member of the homeless will saddle food programs with a difficult administrative burden.

It seems ironic to me that Congress should enact legislation greatly liberalizing the availability of food stamps to homeless individuals who are already receiving meals in public or private institutions, while at the same time the Department of Agriculture has moved to significantly reduce the amount of food stamps available to homeless families living in so-called welfare hotels. It is important to maximize food stamp resources for both individuals and families.

A direct comparison between the food stamp resources available to a homeless individual and a typical family of four highlights the difference in policy. As of April 1, 1987, a homeless individual with no other income is eligible for $81 in food stamps per month. By comparison, a homeless family of four, one adult and three children, living in a hotel, not including the New York City restaurant allowance initiatives, receives only $33 in food stamps per month. In terms of food stamp benefits only, this works out to 90 cents per meal for each homeless individual, compared to 9 cents per meal for each homeless family member. The Food Stamp Program is the flagship of our nutritional efforts, and yet this is what it has come to: A dollar for an adult and a dime for a child. This is hardly equitable.

There are other issues that I think are important for the homeless in New York City that we would like to indicate our position on.

Both the Senate and the House bills provide extended authorization and funding for the Temporary Emergency Food Assistance Act of 1983. We strongly support extension of this program and prefer the Senate version, since your bill provides additional funding and targets a significant portion of the funding for the homeless. Since 1983, we have distributed 100 million pounds of surplus commodities to hungry New Yorkers.

Both bills also provide Federal reimbursement for the provision of food stamp outreach to the homeless. We strongly support that measure. We also support the Senate's expedited food stamp provision and the provision requiring the Secretary to promulgate regulations on third-party payment exclusions. The provision to expedite does not affect New York's current procedures, since we currently issue expedited food stamps in less than the 5 days required by the bill.

The House bill contains several other provisions that we think should be included in S. 812. Although we support the House provision of a national increase in the excess shelter deduction, we think it should be determined on a regional basis, since costs vary

widely throughout the country. This deduction recognizes that income used for housing costs such as rent, utilities, and fuel, cannot be spent for food and therefore should be deducted before determining food stamp benefits. However, the current deduction, even with the proposed increase, is inadequate.

The House bill also contains provisions to make additional surplus cheese available to States and an effective date that would implement the bill sooner than the Senate bill. We support both of these provisions.

I think we have demonstrated that, despite the best intentions, conflicting nutrition policies for the homeless have produced unintended and sometimes detrimental results. Food stamp assistance for individuals compared to families is not equitable. Moreover, the amount of assistance afforded homeless families who do not have their meals provided and do not have kitchen facilities is clearly inadequate. Your consideration of the Urgent Relief for the Homeless Act of 1987 provides you with the opportunity to ensure that all homeless individuals, especially children, are afforded the opportunity to secure adequate nutrition.

That this Congress is making an early effort through this Urgent Relief for the Homeless Act to deal with these problems is good news. Those among us who are most in need require our most urgent attention. The amendments to S. 812 that I am suggesting will help ensure that those needs are addressed in a significant way. I urge adoption of the amendments and passage of the bill.

Thank you.

Senator HARKIN. Thank you very much for a very fine statement and for giving us some good information.

Do you not think most people would find it astounding? I think most Americans would find it absolutely astounding that a homeless individual with no other income is eligible for $81 in food stamps a month, and for a homeless family of four, with no other income, living in a hotel room, receives only $33.

Ms. MOTLEY. That is the direct Federal food stamp allowance that would be given to a family living in a hotel in New York City, when the compensation is made for the restaurant allowance, which is counted as income, and the third-party payment, which is counted as income.

Senator HARKIN. How much is the restaurant allowance?

Ms. MOTLEY. For a family of four, it is now $256 a month.

Senator HARKIN. $256 a month. And what was the other allowance? That is the restaurant allowance. What was the other allowance?

Ms. MOTLEY. Then we had to do a special restaurant allowance, because when we gave them the restaurant allowance, their food stamp allowance was reduced. Let me walk you through an example:

If a family living in a hotel, a family without income, let's assume, would get $223 in food stamps, that is 100 percent Federal funded. That is the USDA Food Stamp Program. With a restaurant allowance, their food stamp allowance would be reduced to $143. That $223 would be reduced to $143. When you count the third-party payment and the special restaurant allowance, that same food stamp line comes to $33 a month.

So every time we have tried to compensate for the unique situation of families living in hotels, with no cooking facilities, the result of that has been a decrease in the straight food stamp line because of how it is calculated.

Senator HARKIN. That is the cost in New York City, obviously? I guess my point is that the family, you say, gets only $33 in food stamps. You mean their total, plus the restaurant allowance, plus the special allowance, so it gets them back up to $256 a month?

Ms. MOTLEY. It gets them slightly ahead of that. What happens is that they have lost in direct Federal food stamp dollars $110 in food stamps, and that is 100 percent Federal funding. It is compensated by the restaurant allowance and the special restaurant allowance totaling $364, which New York City and New York State pay half of. I agree, it is astounding.

Senator HARKIN. If it is half Federal, then that also skews it a little bit, too.

You expressed concern about the potential abuse of the Food Stamp Program. You were talking about selling the food stamps to participate in these activities. How serious is this problem?

Ms. MOTLEY. We do not know. The rule was implemented beginning April 1, 1987, for eligible individuals to receive food stamps. As you know, we shelter something over 10,000 individual people and they do receive three meals a day. What we are concerned about is that that population is in flux all the time. Our number goes from about 10,400 to 10,800 a night. People come in and out of our system for shelter.

The way the provisions are now written—and New York City does provide food and we will continue to provide three meals a day—it would be very difficult, given how the rule is currently, for that homeless individual to use those food stamps, for example, in a nonprofit food kitchen, since it is voluntary. Most soup kitchens probably would not charge those food stamps because of the administrative burden and the fact that they can only charge for the raw cost of the food, not preparation, not the donated cost.

So a homeless individual or any individual would find that there might be a market, and there is no way to—it is very difficult to identify a homeless person. How do you identify a homeless person? They do not walk around with a big "H" on them.

Senator HARKIN. You support the cheese program?

Ms. MOTLEY. Yes.

Senator HARKIN. The provisions of the bill provide for implementing it sooner.

Ms. MOTLEY. Yes.

Senator HARKIN. Do you find much of the United States and New York City showing offsets, displacements, I guess they call it, if you get cheese out then the stores do not sell it? Do you have any studies on that at all, or have you done anything on it?

Ms. MOTLEY. I think I am lacking information, but I do not think that we have a problem.

Senator HARKIN. You do not think there is a problem?

Ms. MOTLEY. No.

Senator HARKIN. I always found it interesting. If you give cheese to poor people who do not have enough money to buy it, how can

that displace cheese if they were not going to buy anyway? I always found that interesting.

Ms. Motley, thank you very much.

Ms. MOTLEY. Thank you.

Senator HARKIN. We will have a markup tomorrow morning and we will see some changes made there in terms of combining some provisions of the House bill.

Ms. MOTLEY. Good. Thank you very much.

Senator HARKIN. Thank you.

Next we are going to call Mr. Robert Fersh, executive director of the Food Research and Action Center.

Before we go ahead, I am going to recess the committee for just about 5 minutes at the most. I have a matter that I have to take care of. If we had another Senator here we could go on, but since we do not, we will stand in recess for 5 minutes and I will be right back.

[Short recess.]

Senator HARKIN. The subcommittee will come to order.

Next, we have Robert Fersh, executive director, Food Research and Action Center.

Go ahead.

STATEMENT OF ROBERT J. FERSH, EXECUTIVE DIRECTOR, FOOD RESEARCH AND ACTION CENTER, ACCOMPANIED BY SHERI VALENTINE, KANSAS CITY, MO, LEGAL AID OF WESTERN MISSOURI

Mr. FERSH. Thank you, Mr. Chairman.

I will briefly summarize my lengthy statement.[6]

Accompanying me at the table is Sheri Valentine, from Kansas City, MO, and hopefully, with time permitting, she can make a very brief presentation.

First, let me compliment you for holding the hearing. We are delighted to see you in the leadership of this subcommittee and hope, working with Senator Dole, this subcommittee will provide the kind of leadership we need to help fight hunger and homelessness.

Senator HARKIN. Rob, could you just recap these two bills? We have the House bill. Try to focus on what you think is important since tomorrow morning we are going to have a markup.

Mr. FERSH. Right.

Senator HARKIN. If we do not finish it all here, I will invite you to talk with me later or the staff on what provisions you would want to see us try to include in the markup tomorrow.

Mr. FERSH. Very good.

Mr. Chairman, there are two key priorities that we feel need to be addressed, in addition to what is already in the bill. One, touched on I think very eloquently by Ronnie Celani, from Vermont, is that there needs to be an increase in the excess shelter deduction. This provision passed the House, I would stress, with complete bipartisan support. There is a Library of Congress study which shows that shelter deduction should be higher, if you take into account the fact that it was frozen in 1981 for no reason really

[6] See p. 52 for the prepared statement of Mr. Fersh.

other than budgetary reasons, and take into account the fact that the inflation factor used was wrong. The Library of Congress tells us that it should be rightfully up to $168 by now, and we would urge you to do whatever you can, understanding your budgetary constraints, to raise that shelter cap.

It is not a panacea. It alone will not end homelessness in America but, as Ronnie pointed out, every little bit helps. Homelessness is usually a matter of resources for people. This is a vary targeted provision that provides aid to only people with the highest shelter costs; it is only for people with shelter costs that exceed 50 percent of their net income. These have to be the people who are the most on the brink of becoming homeless.

One of the things I would urge you to do is not only to take measures that help people who are already homeless, but we must do something that is a little bit preventive. The homeless population is not static. People move in and out of homelessness everyday, and we must take steps that prevent any future people from becoming homeless.

The second issue that has not been sounded with you all that thoroughly, but I would like to lay it out and hope that maybe something can be done or certainly flag it for the future, is the issue of the household definition.

We made some changes, Congress did, in 1981 and 1982, that probably went too far and may now be contributing to homelessness in this country. We tightened the household definition to assume that certain related individuals are necessarily one food stamp household, and what that means right now, Mr. Chairman, is that there are many, many families that are doubling and tripling up because of the crisis in low-income housing. When they double and triple up they not only greatly inconvenience each other—you can imagine having to put up people in your own home for an extended period of time, imagine how much more difficult that is if you are in substandard housing or you are poor—but we have added insult to injury by cutting their food stamp benefits in many instances, even though these households may in fact purchase and prepare meals separately. The bottom line is that we went too far in 1981 and 1982. We have been suggesting a partial repeal and we have talked with your staff about that so that some households, some relatives that now live together, who still purchase and prepare meals separately, ought to be able to maintain a separate food stamp household status.

The problem is that the law now lumps them all in one household and the total food stamp benefits they get are cut, and what that is is a deterrent for relatives to take in other relatives to live with them. And according to a recent mayoral commission in New York City, a leading cause of homelessness is relatives and friends throwing people out of their houses because they cannot afford to keep them there any more. And the commission went on to state that some of the food stamp policies are contributing to the incentives to throw people out of the houses.

So those are the two key items that I would say are not in your bill that ought to be there. We certainly support New York City's testimony and the House bill that says you need to do something about the welfare hotel situation—that people living in those hotels

are homeless, have much higher food costs and are having too much income being counted against them for food stamp purposes, and that really is something important.

It would be great for you to do it in committee. It will be in conference with the House. It is terribly important that something be done there.

We have several other ideas that are in my prepared statement that I will not highlight now.

Senator HARKIN. Do you have some examples of changing that definition?

Mr. FERSH. On the household definition I cover our feelings in the prepared statement. Mainly there are two points, and that is that adult siblings who live together and really purchase and prepare meals separately should not be considered one food stamp household. They have no obligation to support each other. If one of them is poor and he comes in but cannot get the other one to apply, he cannot get food stamps.

There is another situation where there are adult children who have their own children living with the grandparents, and if they purchase and prepare meals separately they ought to have separate food stamp household status.

[See pages 60–66 on the term household definition, prepared statement of Robert J. Fersh.]

Senator HARKIN. It is amazing how this thing comes full circle. I remember when we changed that, when I was on the House side on that particular subcommittee.

Mr. FERSH. Right.

Senator HARKIN. We did not want people getting all these free food stamps in these homes because relatives were there, so we made that change and now we see that the opposite thing has happened and now people are becoming homeless because of that. It is amazing.

Go ahead. I am sorry. I must remember to change that.

Mr. FERSH. Just a few other quick points I will make in the interest of time. First of all, we strongly support the expedited services provisions. As Mr. Bode indicated, there is no evidence of high error rates in expedited service. I am delighted to hear today that the Vermont commissioner and the New York City commissioner felt they could handle the problem.

Obviously, even in 5 days a family can go pretty darn hungry, so it is terribly important that we provide expedited service to people who do not have enough money in the bank or coming to pay their rent and utilities, because otherwise they are going to spend down money for food in the meantime and they cannot pay their rent or pay their utilities and they might get evicted or their utilities may get closed off.

On the issue of outreach, I do not know if you can do anything about it at this late date. You have a very limited outreach provision. It is only to the homeless. That is in the Senate bill.

We would recommend, since you want to prevent homelessness as well and you want to make sure people are well-fed, there ought to be an ability to do outreach to people who go into emergency shelters and emergency soup kitchens as well.

It is very hard for a State simply to target information only on homeless people. It would make sense, and the cost I believe is less than $1 million, to allow a little bit broader information to go out. I can tell you, as someone that serves on the board of directors of a soup kitchen and as a volunteer there on a regular basis, that this information is critical. The private sector is not doing it. They are doing as much as they can, and it is a private and public sector responsibility, but the public sector is not pulling its weight. I can tell you a lot more about that, but soup kitchens just are not there where people need them.

We have neighbors trying to shut down our soup kitchen. We cannot find another site in the county that wants a soup kitchen around there, so you really cannot rely on the private sector to give the kind of sustained assistance that low-income people need on a regular basis.

The other item I would simply encourage you to do is with regard to the TEFAP Program. I would echo the sentiments of other witnesses. The bill that you and Senator Leahy and others introduced originally is much stronger. If you require anything over $50 million in TEFAP to be targeted only to the homeless people, I think you are setting up an administrative nightmare. It is not a very sophisticated program where States can monitor exactly what dollars are spent or not spent on the homeless. It does not make sense to me.

That is the key thrust. I am happy to spend more time with you and your staff at your convenience.

I am at this point ready to conclude. I would simply also compliment you for your line of questioning of Mr. Bode. The issue of barriers to food stamp participation is extraordinarily important, one that I hope this subcommittee will make a priority over the coming year.

I do not know if you are familiar with the GAO report that came out in October, that found in a sample of one State, 23 percent of the people who were denied food stamps were denied improperly, and all the evidence indicates that may be the tip of the iceberg.

So this issue of access to the Food Stamp Program and other nutrition programs affects homeless people and everyone else and I applaud you for following up on that and hope that we can work with you on it.

Senator HARKIN. Thank you. I questioned Secretary Bode on that before the Appropriations Subcommittee, on which I also serve, 2 or 3 weeks ago. I was wondering if there was any followup, to locate those that were improperly denied and to make restitution.

I am not certain what the answer was. They said they were doing something and I am going to followup and find out just exactly what they are trying to do.

Mr. FERSH. Mr. Chairman, I was pleased to hear they are making efforts now, but it is my belief that, after 6 years of unrelenting pressure on waste, fraud, and abuse, with little countervailing concern for service to people, it has come full circle and because we really have such outrageous situations now they are acting.

I think what you need to know is that all the financial incentives right now in the law are for, when in doubt, States will deny or

delay benefits because there is no penalty for underpaying or denying benefits to people and we need to fix that.

Senator HARKIN. Yes, that is one fix that needs to be done, you are right. There is a penalty on the other end.

Mr. FERSH. That is correct.

Senator HARKIN. But they are not penalized if they cut people off.

Mr. FERSH. Even well-intentioned administrators have to eventually answer the Governor and the State legislature and that is where their energy goes. They become cops, rather than people that provide services to people.

Senator HARKIN. I want to assure you—I have not announced this publicly—this subcommittee is going to be having further hearings this year on the whole hunger issue, food stamps, child nutrition, and what has happened over the last several years in trying to chart a new course for the next 2 to 4 years ahead.

Mr. FERSH. That is terrific.

Senator HARKIN. The first thing to do is to get these homeless bills through tomorrow and again we will take your concerns into consideration and hopefully there will be some changes made as we go through markup tomorrow morning.

Again, Mr. Fersh, thank you very much for your testimony.

Ms. Valentine, did you have a statement?

Ms. VALENTINE. Yes.

Senator HARKIN. I was not aware of that. I am sorry. How long is your statement?

Ms. VALENTINE. Five minutes.

Senator HARKIN. I only have about 3 minutes left myself.

Ms. VALENTINE. OK. May I just say a few things?

Senator HARKIN. Sure.

Ms. VALENTINE. OK. First of all, I work at Legal Services in Kansas City, MO, and was given permission by my executive director to be here today as our homeless clientele do not have any other avenues to pursue.

I would like to say a little bit about outreach. We have maintained a program, because as a division of Family Services of the Department of Social Services in Kansas City, they have done nothing——

Senator HARKIN. I am sorry. The seconds are ticking away and if I do not go, I am going to miss the floor vote. Could you meet with my staff afterward? I apologize, but there is a vote going on on the floor.

We do have several statements which we will insert in the record.

The subcommittee will adjourn until we meet in full committee tomorrow morning to mark up the bill.

Thank you very much.

[Whereupon, at 3:55 p.m., the subcommittee adjourned, subject to call of the Chair.]

APPENDIX

OPENING STATEMENT OF
SENATOR TOM HARKIN
CHAIRMAN, SUBCOMMITTEE ON NUTRITION AND INVESTIGATIONS
SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

I WANT TO WELCOME YOU ALL HERE TODAY AND I WANT TO PARTICULARLY THANK OUR WITNESSES WHO HAVE COME HERE ON SUCH SHORT NOTICE TO SHARE THEIR KNOWLEDGE AND EXPERIENCES WITH US. TODAY'S HEARING DEALS WITH AN ISSUE OF RECOGNIZED URGENCY -- FOOD ASSISTANCE FOR THE HOMELESS. AT FEDERAL, STATE AND LOCAL LEVELS WE HAVE MADE SEVERAL EFFORTS TO DEAL WITH THIS ISSUE IN THE LAST SEVERAL YEARS. BOTH PUBLIC AND PRIVATE COOPERATION HAS EXPANDED TO ADDRESS THIS PROBLEM. AS MR. BODE WILL TELL US THIS MORNING, MUCH HAS BEEN DONE AND MUCH IS BEING DONE. HOWEVER MUCH REMAINS TO BE DONE. NOTWITHSTANDING THESE EFFORTS, WE ARE LOSING GROUND. TUESDAY'S EDITION OF THE WASHINGTON POST REPORTED A 20 PERCENT INCREASE IN HOMELESSNESS DURING THIS PAST WINTER ALONE. UNFORTUNATELY, AND I QUOTE FROM THE ARTICLE, "HOMELESSNESS IS INCREASINGLY A PROBLEM FOR FAMILIES WITH CHILDREN." ANOTHER STUDY BY THE U.S. CONFERENCE OF MAYORS IDENTIFIED THIS AS THE FASTEST GROWING SEGMENT OF HOMELESS INDIVIDUALS. I HAVE SEEN ESTIMATES THAT INDICATE THAT BETWEEN 28 AND 35 PERCENT OF THE HOMELESS ARE FAMILIES WITH CHILDREN.

ACCORDING TO A SURVEY BY THE HOUSE SELECT COMMITTEE ON HUNGER: 45 PERCENT OF ELIGIBLE HOMELESS ARE NOT RECEIVING FOOD STAMPS. MANY OF THESE APPARENTLY ARE INCAPABLE OF COMPLETING THE APPLICATION FOR FOOD STAMPS WITHOUT ASSISTANCE. THE HOUSE STUDY ALSO SAID THAT 9 PERCENT OF THE HOMELESS ACTUALLY RELY ON DUMPSTERS FOR THEIR PRINCIPLE SOURCE OF FOOD. SINCE THE U.S. CONFERENCE ON MAYORS BEGAN KEEPING STATISTICS IN 1983, HOMELESSNESS HAS INCREASED AT LEVELS RANGING FROM 20 PERCENT TO 38 PERCENT ANNUALLY.

TODAY'S HEARING DEALS WITH TWO BILLS, S. 728 AND S. 812, BOTH OF WHICH PROVIDE FOR FOOD ASSISTANCE TO THE HOMELESS. THE MAIN PROVISIONS OF THESE BILLS, WHICH ARE ESSENTIALLY IDENTICAL, PROVIDE FOR EXPEDITED FOOD STAMP SERVICE TO THE HOMELESS AND AN EXTENSION OF THE AUTHORIZATION OF THE APPROPRIATION FOR ADMINISTRATIVE AND STORAGE COSTS ASSOCIATED WITH THE TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM, OR TEFAP. THE HOMELESS BILL, AS ALL OF US HERE KNOW, HAS THE BIPARTISAN SUPPORT OF THE SENATE LEADERSHIP, AND A SIMILAR MEASURE, H.R. 558, HAS ALREADY PASSED THE HOUSE.

WE WILL HEAR TESTIMONY TODAY FROM THE ADMINISTRATION, STATE HUMAN SERVICES OFFICIALS AND A PUBLIC INTEREST GROUP, THE FOOD RESEARCH AND ACTION CENTER. I WOULD ASK EACH WITNESS TO LIMIT THEIR ORAL COMMENTS TO FIVE TO SEVEN MINUTES SO THAT WE WILL HAVE TIME FOR QUESTIONS AND ANSWERS AND SO THOSE WHO HAVE FLIGHT SCHEDULES AND APPOINTMENTS TO KEEP WILL BE ABLE TO DO SO.

TESTIMONY OF JOHN W. BODE

ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

U.S. DEPARTMENT OF AGRICULTURE

BEFORE THE

SUBCOMMITTEE ON NUTRITION

SENATE COMMITTEE ON AGRICULTURE

APRIL 2, 1987

Mr. Chairman, and Members of the subcommittee, I appreciate the opportunity today to present the Administration's views concerning nutrition and the homeless. In particular I will address the two bills before your committee: S.812, Nutrition for Homeless Individuals Act of 1987, and S.728. These bills are very similar in their provisions for the important issue of assisting the homeless. We share your concern about the need to find effective ways to provide adequate nutrition for the homeless.

At the outset, I would like to observe that the Administration views homelessness as a complex problem best handled at the local level -- with private, State and federal assistance -- where the precise dimensions of the problem can be determined and where the local government can be flexible in meeting the diverse needs of this heterogeneous population.

Also, we need to consider this legislation in view of the complexity of the problem and what is already being done to assist the homeless. The Federal Government helps to meet the needs of

the homeless through a number of programs. In Fiscal Year 1987, the Federal Government will commit over $260 million, more than in any previous year, on programs targeted specifically to the homeless ($115 million for FEMA's emergency food and shelter programs, $15 million for HUD's emergency shelter grant and transitional housing demonstration programs, over $100 million for rental subsidies for the mentally ill, homeless and homeless families, $23 million for runaway and homeless youth and nearly $10 million in commissary surplus food, equipment and facilities for the homeless). In addition to these, many other existing Federal grant and entitlement programs can be used to fund State and local efforts to provide services and facilities for the homeless. For example, the Community Development Block Grant program (CDBG) and the Social Services Block Grant program (SSBG) provide funds that States and communities may use to assist the homeless. State and local governments have used more than $100 million in CDBG funds alone to renovate shelters and provide support services for the homeless.

State and local governments could also target even more of the over $6 billion already available this year through CDBG, SSBG, the Community Service Block Grant, and the Alcohol, Drug Abuse, and Mental Health Block Grant to address the needs of their homeless citizens.

In addition, although it is impossible to quantify spending on the homeless, it is very likely that these programs provide the largest source of Federal support for that population. Existing programs, such as Food Stamps, Supplemental Security Income, Aid to Families With Dependent Children (AFDC), VA Benefits, and Social Security Retirement and Disability Benefits, are currently available to the homeless who meet basic eligibility criteria. Clearly, the Food Stamp Program, which serves over 30 million persons a year, can be a very important source of assistance. Let me briefly review Food Stamp policy and recent legislation concerning the homeless population and Food Stamps.

The Food Stamp Program's regulations have contained no barriers to participation by homeless persons since 1978. Benefits cannot be denied because a household lacks a fixed residence, nor are cooking facilities required for certification. We were concerned that homeless persons and families were not getting appropriate access to the important assistance available through the Food Stamp Program. On three occasions (in November 1983, February 1984 and December 1984) we formally instructed the FNS Regional Offices to ensure that State agencies were complying with policies that would permit eligible homeless people to participate in the program.

Although the Food Stamp Program was already serving homeless people, Congress included a specific requirement in P.L. 99-198, enacted December 23, 1985 that State agencies provide a method for certifying and issuing food stamps to eligible households that do not reside in permanent dwellings or have fixed addresses. A regulation implementing this requirement was published May 21, 1986. In addition to the statutory change, the regulation also prohibited State agencies from denying eligibility to homeless persons because they could not verify residency. Prior to publication of this regulation (April 1986), we had again directed the Regional Offices to ensure that the homeless provisions were being complied with by State agencies.

The Homeless Eligibility Clarification Act, P.L. 99-570, approved October 27, 1986, contained several provisions affecting the food stamp participation of homeless persons. In particular, the law provides that homeless food stamp recipients (including newly eligible residents of temporary shelters for the homeless) may use their food stamps to purchase prepared meals at authorized public or private non-profit establishments that feed homeless persons. A regulation implementing these provisions was published March 11 this year and went into effect yesterday, April 1, 1987.

The two bills currently being considered by the Committee would add another definition for the homeless to the Food Stamp Act. This would be a different definition than the one contained in the recently implemented homeless provisions. This new definition is overly broad and would include many who are not homeless, such as individuals living in temporary arrangements with relatives and friends. While we appreciate the desire to clarify policy so the homeless can be effectively helped, we sincerely hope that we can work together on the details of the definitions so the Program can have a single, coherent definition of homeless that will ensure uncomplicated administration of the homeless provisions for the Food Stamp Program, and better targetting of limited Federal resources to the most needy.

This is especially important for the provision of expedited services. The Food Stamp Program is designed to provide benefits quickly to the most needy. Applicant households with gross incomes of $150 per month or less (as well as destitute migrant or seasonal farm workers) and not more than $100 in liquid resources are eligible for benefits within five calendar days if otherwise eligible. Currently, slightly over one-third of all applicants receive expedited service. Under our current definition, we would expect most homeless individuals would meet these criteria and be eligible for expedited services.

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The two bills being considered would expand expedited service to two additional groups: 1) First, to all households in which all members are homeless and which meet food stamp income and resource criteria and 2) second, to households with combined gross income and liquid resources less than monthly rent and utilities. It should be noted that we have considerable experience where household income is less than living costs being error-prone because all income and resources have not been reported or counted. To be sure, our goal and Congress's goal is to have rapid and accurate determinations of program eligibility in order to quickly get benefits to those entitiled to them. The FSP is, as you know, one of the most rapidly responsive of all assistance programs. On average, applicant households are certified and receive benefits in less than twenty days. Regrettably, we have evidence that a number of states are experiencing great difficulty in meeting the present expedited service requirements. This second addition, by expanding expedited service eligibility, would aggravate these problems and dilute the effectiveness of expedited services.

The two bills also provide a 50-50 match for outreach for the homeless. As you know, we do not feel the need to use limited Federal funds to provide information about such a well-known and long-established program as food stamps. Informing the homeless about programs like food stamps and ensuring they

receive the benefits for which they are eligible is an important area and we strongly believe that States and particularly local governments should be involved.

There are two important contributions the Federal Government can make. First, the Federal Government can serve as a focal point for information and technical assistance to States and local communities. The Administration is in the process of establishing a clearinghouse to provide help to those interested in establishing or expanding shelters and programs for the homeless.

Second, the Federal Government also has an obligation to undertake special projects and research on the homeless. We are pleased to report to the Committee that the Food and Nutrition Service is undertaking such research. We currently have a major survey in the field to collect critical data from a nationally representative sample of 400 meal/shelter providers and 2,000 homeless persons located in 20 U.S. cities of more than 100,000 inhabitants. Federal, State and local offices administering the provisions in the 20 cities will also be surveyed. These data will be used to describe the characteristics of the homeless population, including their participation in the food stamp and other programs and to assess their eating patterns. We have already learned quite a bit about this population that can provide

practical guidance to program design. We have incorporated our knowledge gained so far from interview field tests in the development of some of our recent regulations. We have also shared our insights on the population as well as study design issues with other agencies including Census and the Veterans Administration. A follow-up survey next March will collect further information to assess the effects of the Food Stamp Program's prepared meal provisions for the homeless.

Of course, other USDA programs also assist the homeless. Through direct food distribution programs, USDA provides foods to State distributing agencies to help meet many of the nutritional needs of the needy. Two such food assistance programs that provide assistance to the needy and homeless are (1) the Temporary Emergency Food Assistance Program (TEFAP) and (2) the Food Distribution Program to Charitable Institutions.

Under TEFAP, free surplus commodities are distributed to needy persons through public and nonprofit organizations. Commodities available include nonfat dry milk, cornmeal, flour, honey, cheese, rice, and butter. Since the program began in 1981, over $4 billion worth of dairy and other surplus commodities have been provided. The two bills before this Committee increase administrative funding for TEFAP by $10 million in Fiscal Year 1987 and $20 million in Fiscal Year 1988

and targets these additional funds to homeless individuals. Unfortunately, providing additional TEFAP administrative funding targeted at the homeless is not the best use of funds nor the best way to assist the homeless. A recently completed nationally representative survey of TEFAP recipients indicated that very few homeless persons participate in TEFAP (0.1 percent).

The needs of the homeless are best met through the Food Distribution Program to Charitable Institutions. The Charitable Institutions Program makes commodities available to soup kitchens and other congregate meal providers. The meals these institutions provide are much better suited to the needs of the homeless than TEFAP, which provides bulk commodities intended for household preparation and consumption. In Fiscal Year 1986, charitable institutions received about 350 million pounds of commodities valued at about $235 million. This included a wide variety of commodities, including $100 million of canned and frozen beef. Other commodities included all of the items available through TEFAP plus spaghetti, macaroni, potatoes, and peanut butter.

That concludes my prepared remarks, Mr. Chairman. I shall be happy to respond to your questions.

TESTIMONY ON THE

EMERGENCY FOOD ASSISTANCE FOR THE HOMELESS ACT

S.728

PRESENTED BY: VERONICA H. CELANI, COMMISSIONER
VERMONT DEPARTMENT OF SOCIAL WELFARE

FIRST, I WANT TO THANK THE MEMBERS OF THIS COMMITTEE FOR PROVIDING THE OPPORTUNITY FOR ME TO COME BEFORE YOU IN MY CAPACITY AS COMMISSIONER OF SOCIAL WELFARE FOR VERMONT TO PRESENT THE OBSERVATIONS AND CONCERNS OF THE STATE OF VERMONT RELATING TO THIS VERY IMPORTANT PIECE OF PROPOSED LEGISLATION. ALTHOUGH THE PLIGHT OF HOMELESS INDIVIDUALS AND FAMILIES HAS NOT REACHED THE MAGNITUDE IN VERMONT THAT IS BEING EXPERIENCED IN LARGER URBAN AREAS, WE CONCUR THAT THIS IS A POVERTY RELATED ISSUE THAT IS NATIONAL IN SCOPE AND SHOULD BE ADDRESSED AT THE CONGRESSIONAL LEVEL.

VERMONT IS A SMALL RURAL STATE WITH A POPULATION OF ABOUT 550,000 PEOPLE AND WITH A TOTAL UNEMPLOYMENT RATE MORE THAN TWO POINTS BELOW THE NATIONAL LEVEL. NEVERTHELESS, A RECENTLY COMPLETED STUDY INDICATED, AS A BEST ESTIMATE, THAT IN 1984, DURING ANY GIVEN MONTH THERE WERE APPROXIMATELY 200 HOMELESS IN VERMONT AND THAT DURING THE CALENDAR YEAR OVER 1,800 HOMELESS PEOPLE SEARCHED FOR SHELTER IN THE STATE.

THE MEDIA HAS BEEN FOCUSING MORE ATTENTION ON THE HOMELESS AS THE NUMBERS APPEAR TO BE INCREASING. IT IS DOCUMENTED THAT THE NUMBER OF PEOPLE SEEKING SHELTER FROM VOLUNTARY AND PUBLIC AGENCIES IS INCREASING. A CURRENT VERMONT POPULATION PROFILE OF THE HOMELESS INDICATE THAT WHILE MOST HOMELESS PERSONS ARE SINGLE MALES, THE NUMBER OF FAMILIES AND WOMEN ARE INCREASING AND THE AVERAGE AGE IS MUCH YOUNGER THAN IN THE PAST, IN FACT IN THE EARLY THIRTIES.

THE HOMELESS POPULATION HAS LONG BEEN ASSOCIATED WITH SUBSTANCE ABUSE AND MENTAL ILLNESS, BUT THE "NEW HOMELESS" ARE PEOPLE WHO HAVE LOST THEIR JOBS OR PUBLIC ASSISTANCE OR HAVE LOST THEIR RESIDENCES AND ARE UNABLE TO FIND AFFORDABLE HOUSING. WE HAVE ALSO DISCOVERED IN VERMONT THAT ABOUT 70 PERCENT OF THE HOMELESS COME FROM LOCAL COMMUNITIES WHILE ONLY ABOUT 30 PERCENT CAN BE CLASSIFIED AS OUT-OF-STATE TRANSIENTS.

WE HAVE SOME VERY POSITIVE THINGS TO SAY ABOUT THIS BILL THAT FACES UP TO A VERY REAL NATIONAL PROBLEM. AS MIGHT BE EXPECTED, WE ALSO HAVE SOME SUGGESTIONS. I AM HERE FOR BOTH REASONS.

THERE HAVE BEEN NUMEROUS ATTEMPTS TO DEFINE HOMELESSNESS. THE DEFINITION THAT APPEARS IN THIS PROPOSED LEGISLATION IS VERY INCLUSIVE AND WE THINK THAT IT IS A GOOD ONE. IF HELP IS TO BE PROVIDED, IT BECOMES IMPORTANT TO FIRST CLEARLY INDICATE WHOM IT IS WE INTEND TO HELP. THAT HAS BEEN ACCOMPLISHED.

ONCE WE KNOW WHO THESE PEOPLE ARE, THEN WE NEED A SYSTEM TO LOCATE THEM IN ORDER TO PROVIDE ASSISTANCE. THIS WOULD HAVE TO BE BY A VARIETY OF METHODS OF OUTREACH. VERMONT, LIKE OTHER STATES, DOES NOT HAVE THE FINANCIAL RESOURCES TO WHOLLY FUND SUCH AN OUTREACH EFFORT. THIS HOMELESS BILL MAKES PROVISION FOR 50 PERCENT FEDERAL MATCHING FOR OUTREACH DIRECTED AT HOMELESS INDIVIDUALS. WE ARE PLEASED WITH THIS PROVISION AND CONSIDER IT ANOTHER POSITIVE FACTOR.

PROGRESSING LOGICALLY, NOW THAT THE PARTICULAR GROUP NEEDING HELP HAS BEEN DEFINED AND LOCATED, THE PROBLEM BECOMES ONE OF PROVIDING THE NEEDED ASSISTANCE IN A TIMELY MANNER SO THAT THE HELP CAN BE EFFECTIVE. THIS HAS BEEN ACCOMPLISHED BY THE PROVISION FOR EXPEDITED SERVICE FOR THE HOMELESS AND TO THOSE IN DANGER OF BECOMING HOMELESS.

VERMONT DOES NOT ANTICIPATE ANY PROBLEM IN PROVIDING THE FOOD STAMPS TO THE TWO NEW EXPEDITED SERVICE CATEGORIES NO LATER THAN FIVE CALENDAR DAYS AFTER THE DATE OF APPLICATION. WE ALSO RECOGNIZE THAT POLICY PROTECTS A STATE FROM A QUALITY CONTROL PAYMENT ERROR IN THE FIRST MONTH OF PARTICIPATION WHEN CERTIFICATION IS THROUGH ABBREVIATED VERIFICATION AS IS ALLOWED FOR EXPEDITED SERVICES. IF THE WAIVED VERIFICATION IS NOT PROVIDED IN 30 DAYS, PARTICIPATION IN FOOD STAMP BENEFITS TERMINATES. STATE SYSTEMS ARE ALREADY DESIGNED TO DO THIS SO THERE WILL BE NO DANGER OF HOUSEHOLDS WITH INCOMPLETE VERIFICATION CONTINUING ON THE PROGRAM.

I WOULD ALSO LIKE TO POINT OUT THAT IN THE HOMELESS LEGISLATION PASSED BY THE HOUSE OF REPRESENTATIVES, H.R. 558, A PROVISION HAS BEEN MADE TO RAISE THE EXCESS SHELTER COST LIMIT FOR HOUSEHOLDS THAT DO NOT CONTAIN AN ELDERLY OR DISABLED MEMBER FROM $149 TO $168 MONTHLY. IT IS REGRETABLE THAT THE SENATE BILL DOES NOT INCLUDE THIS MEASURE.

IN VERMONT, OUR MOST CURRENT DATA, WHICH IS FOR JANUARY, 1987, INDICATES THAT 69% OF THE FOOD STAMP HOUSEHOLDS HAVE EXCESS SHELTER COSTS THAT EXCEED THE PRESENT STANDARD. THIS IS A GLOWING EXAMPLE THAT ILLUSTRATES HOW THE PROGRAM HAS BEEN ERODED AND HAS NOT KEPT PACE WITH THE NEEDS OF LOW-INCOME HOUSEHOLDS. THIS ALSO HAS A DIRECT BEARING ON THE HOMELESS ISSUE AS THE LACK OF AFFORDABLE HOUSING IS A BIG CONTRIBUTOR TO THE DRAMATIC INCREASE OF HOMELESS INDIVIDUALS.

MY FINAL COMMENTS RELATE TO THE INCREASED FUNDING PROPOSED FOR THE TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP) WITH THE PROVISION THAT THE AMOUNTS APPROPRIATED IN EXCESS OF $50,000,000 BE TARGETED FOR THE HOMELESS. AGAIN, WE CANNOT ARGUE WITH THE GOOD INTENTION OF THIS PROVISION, BUT VERMONT DOES HAVE SOME CONCERNS.

FIRST, AS FUNDING FROM TEFAP IS ALREADY INADEQUATE TO COVER CURRENT STORAGE AND DISTRIBUTION COSTS, WE WOULD NOT LIKE TO SEE ANY NEW ALLOCATION FORMULA INTRODUCED THAT COULD IN EFFECT REDUCE OUR FUNDING BELOW ITS CURRENT LEVEL. SECONDLY, WE

REQUEST THAT THE TARGETING OF TEFAP FUNDS FOR THE HOMELESS NOT BE ACCOMPANIED BY A LAYER OF BURDENSOME SUPPORTIVE PAPERWORK, AND THAT THE LIMITATIONS ON THE USE OF THE FUNDS NOT BE SO RESTRICTIVE AS TO MAKE THEIR USE INEFFECTIVE.

ONCE AGAIN I WANT TO THANK THE COMMITTEE FOR PROVIDING TIME TO HEAR THE TESTIMONY FROM THE STATE OF VERMONT. WE FULLY SUPPORT THE BILL BUT WOULD LIKE IT TO CONTAIN THE SAFEGUARDS I HAVE SUGGESTED.

The City of New York

HUMAN RESOURCES ADMINISTRATION
EXTERNAL AFFAIRS
250 CHURCH STREET, NEW YORK, N.Y. 10013

WILLIAM J. GRINKER
Administrator/Commissioner

R. SUSAN MOTLEY
Executive Deputy Administrator

TESTIMONY

ON S.812

PRESENTED BY

R. SUSAN MOTLEY, EXECUTIVE DEPUTY ADMINISTRATOR

FOR EXTERNAL AFFAIRS

THE NEW YORK CITY HUMAN RESOURCES ADMINISTRATION

BEFORE THE

AGRICULTURE, NUTRITION AND

FORESTRY SUBCOMMITTEE ON

NUTRITION AND INVESTIGATIONS

U.S. SENATE

WASHINGTON, D.C.

APRIL 2, 1987

I AM R. SUSAN MOTLEY, EXECUTIVE DEPUTY ADMINISTRATOR FOR EXTERNAL AFFAIRS OF THE CITY OF NEW YORK'S HUMAN RESOURCES ADMINISTRATION (HRA). WITH ME IS SOLOMON MALACH, DEPUTY GENERAL COUNSEL FOR HRA. WE ARE REPRESENTING THE CITY OF NEW YORK ON BEHALF OF WILLIAM GRINKER, COMMISSIONER OF HRA. OUR AGENCY IS PRIMARILY CHARGED WITH HELPING THE CITY'S POOR AND AS SUCH WE HAVE IMMEDIATE RESPONSIBILITY FOR THE ADMINISTRATION OF THE FOOD STAMP PROGRAM, EMERGENCY AND TRANSITIONAL HOUSING PROGRAMS FOR HOMELESS INDIVIDUALS AND FAMILIES, AND EMERGENCY FOOD ASSISTANCE PROGRAMS. THUS, FOR US, "THE URGENT RELIEF FOR THE HOMELESS ACT OF 1987" IS A VERY VITAL PIECE OF LEGISLATION.

I WELCOME THIS OPPORTUNITY TO TESTIFY BECAUSE REVIEWING THIS LEGISLATION IS NOT ONLY IMPORTANT IN ITSELF BUT IT ALLOWS US TO DEVELOP A COORDINATED APPROACH TO THE PROBLEMS OF THE HOMELESS. I THINK YOU WILL SEE FROM MY TESTIMONY THAT CURRENT FEDERAL POLICY TOWARDS MEETING THE NUTRITIONAL NEEDS OF THE HOMELESS, AS EXPRESSED IN LAW, REGULATION AND PROPOSED LEGISLATION, IS NOT COORDINATED WITH RESPECT TO THE NEEDS OF INDIVIDUALS COMPARED TO THE NEEDS OF FAMILIES.

WHILE WE GENERALLY SUPPORT THE OMNIBUS BILL, TODAY I WILL PAY SPECIAL ATTENTION TO THE NUTRITION SECTION, S.812. IN PARTICULAR, I WANT TO DISCUSS THE IMPORTANCE OF THE SENATE INCLUDING IN THIS BILL A PROVISION THAT WOULD REQUIRE LOCALITIES TO EXCLUDE AS INCOME THE THIRD PARTY SHELTER PAYMENTS WE MAKE TO HOTELS WHEN DETERMING FOOD STAMP BENEFIT LEVELS FOR HOMELESS FAMILIES. THIS PROVISION IS OF VITAL IMPORTANCE TO HOMELESS FAMILIES AND IS INCLUDED IN H.R.558, RECENTLY PASSED BY THE HOUSE. I ALSO WANT TO DISCUSS INCLUDING IN THIS BILL A PROVISION TO AMEND P.L. 99-570, "THE HOMELESS ELIGIBILITY CLARIFICATION ACT OF 1986," WHICH ALLOWS HOMELESS INDIVIDUALS TO RECEIVE FOOD STAMPS. THIS LAW, THOUGH WELL INTENDED, CREATES SEVERAL SEVERE PROBLEMS, WHICH MUST, WE BELIEVE, BE CORRECTED BY STATUTORY CHANGES.

BACKGROUND

LET ME FIRST GIVE YOU SOME IDEA OF THE SIZE OF THE HOMELESS POPULATION IN NEW YORK CITY. AS MANY OF YOU ARE AWARE, WE ARE NOW SHELTERING EACH NIGHT AN AVERAGE OF 10,400 SINGLE INDIVIDUALS IN 26 SHELTERS FOR ADULTS. AS OF MARCH 1, 1987, OUR EVER EXPANDING POPULATION OF HOMELESS FAMILIES HAS GROWN TO 4,781 FAMILIES, OF WHOM 11,814 ARE CHILDREN. TO HOUSE THESE FAMILIES TEMPORARILY, WE HAVE DEVELOPED A NETWORK OF DIRECTLY-OPERATED AND CONTRACTED FAMILY SHELTERS AND FAMILY CENTERS AS WELL AS 58 HOTELS. THE HOTELS PROVIDE SHELTER TO 3,641 FAMILIES INCLUDING 9,257 CHILDREN. THESE NUMBERS DO NOT INCLUDE THE HUNDREDS OF HOMELESS PERSONS WHO ARE SHELTERED BY CHURCHES AND SYNAGOGUES.

THE TOTAL PRICE TAG FOR OUR PROGRAMS FOR HOMELESS NEW YORKERS IS $240 MILLION, WITH $115 MILLION GOING TO THE PROGRAM FOR ADULTS AND $125 MILLION GOING TO THE FAMILY PROGRAM. ALMOST $100 MILLION OF THIS COST IS BORNE DIRECTLY BY THE TAXPAYERS OF NEW YORK CITY AND THE FEDERAL GOVERNMENT CONTRIBUTES ABOUT $62 MILLION. THESE FIGURES DO NOT INCLUDE THE FINANCIAL CONTRIBUTIONS BY THE VOLUNTARY SECTOR.

THE PROVISION OF MEALS IS, BY AND LARGE, COMPLETELY DIFFERENT FOR HOMELESS INDIVIDUALS COMPARED TO HOMELESS FAMILIES. ALL OF OUR ADULT SHELTERS, FOR INSTANCE, SERVE THREE MEALS A DAY, AS DO SOME OF OUR FAMILY SHELTERS. HOWEVER, AND UNFORTUNATELY, NEARLY 75 PERCENT OF THE HOMELESS FAMILIES LIVE IN HOTELS ROOMS, WHICH, BY DEFINITION, DO NOT HAVE COOKING FACILITIES.

ALTHOUGH MOST HOTEL ROOMS ARE EQUIPPED WITH SMALL REFRIGERATORS, FAMILIES CANNOT BUY FOOD IN ECONOMICAL QUANTITIES NOR COOK IT IN THEIR ROOMS. FOOD MUST BE PURCHASED ALREADY PREPARED, USUALLY FROM LOCAL DELICATESSENS, OR FROM RESTAURANTS. BOTH OPTIONS, AS WE ALL KNOW, ARE FAR MORE EXPENSIVE THAN THE ALTERNATIVE OF GOING TO A SUPERMARKET, STOCKING UP ON BARGAINS, AND THEN COMING HOME TO A FULLY-EQUIPPED KITCHEN. WHILE THERE ARE ON-SITE DINING PROGRAMS AT TWO OF THE LARGEST HOTELS, AND IN SOME CASES, THERE ARE SOUP KITCHENS WITHIN WALKING DISTANCE OF HOTELS, MOST HOMELESS FAMILIES ARE NOT ENSURED THREE MEALS A DAY AND MUST RELY ON A PORTION OF THEIR BASIC GRANT, THEIR FOOD STAMPS, THEIR RESTAURANT ALLOWANCE, AND THEIR INGENUITY TO GET THROUGH THE MONTH.

DESPITE THE DIFFICULTIES THAT HOMELESS FAMILIES FACE, A RECENT DECISION BY THE U.S. DEPARTMENT OF AGRICULTURE (USDA) HAS REDUCED THEIR FOOD STAMP BENEFITS. IN LATE 1986, AFTER DECIDING THAT IT HAD BEEN INCORRECTLY INTERPRETING ITS OWN REGULATIONS, THE USDA ORDERED NEW YORK STATE TO BEGIN COUNTING AS INCOME THE FUNDS PAID TO THIRD-PARTIES SUCH AS HOTELS WHEN DETERMINING FOOD STAMP BENEFITS. ALONG WITH THE STATE, WE HAVE BEEN ASKING USDA TO CHANGE ITS DECISION EVER SINCE.

UNDER THE NEW INTERPRETATION, WE ARE NOW REQUIRED TO COUNT THE EMERGENCY SHELTER GRANT AS INCOME UP TO AN AMOUNT EQUAL TO THE MAXIMUM SHELTER ALLOWANCE IN CALCULATING THE FOOD STAMP BENEFITS OF FAMILIES LIVING IN HOTELS. THE INCLUSION OF THIS ADDITIONAL INCOME IN THE CALCULATION SIGNIFICANTLY REDUCES FOOD STAMP BENEFITS FOR THESE FAMILIES: A TYPICAL FAMILY OF FOUR HAS HAD THEIR BENEFIT REDUCED FROM $143 TO $62 A MONTH. THE TOTAL LOSS TO THESE HOMELESS FAMILIES IN NEW YORK IS $3 MILLION.

THE USDA POLICY REVERSAL IS BOTH SHORT-SIGHTED AND UNFAIR. THIS ANTI-FAMILY USDA POLICY LITERALLY TAKES FOOD FROM THE MOUTHS OF BABES. THE SPECIAL AND UNFORTUNATE CIRCUMSTANCES OF HOMELESS FAMILIES ARE UNIQUE. USDA FAILS TO TAKE INTO ACCOUNT THAT FOOD PREPARATION IS SIMPLY NOT POSSIBLE FOR HOTEL FAMILIES, AND THAT FULL FOOD STAMP BENEFITS ARE NOT JUST APPROPRIATE, BUT VITAL.

THE USDA THIRD PARTY RULING IS NOT THE ONLY INSTANCE WHERE EXISTING RULES HAVE RESULTED IN THE LOSS OF FOOD STAMP BENEFITS TO HOMELESS FAMILIES. LET ME TELL YOU ABOUT THE HISTORY OF THE RESTAURANT ALLOWANCE. EVER SINCE WE FIRST STARTED PLACING HOMELESS FAMILIES IN HOTELS, WE RECOGNIZED THAT CHILDREN IN HOMELESS FAMILIES LIVING IN HOTELS DID NOT RECEIVE ENOUGH FOOD STAMPS TO MEET THEIR NEEDS. TO ADDRESS THIS CONCERN, NEW YORK CITY DECIDED TO SUPPLEMENT THEIR FOOD STAMP ALLOTMENT WITH A RESTAURANT ALLOWANCE, WHICH IS HALF SUPPORTED BY FEDERAL FUNDS AND HALF SUPPORTED BY STATE AND LOCAL FUNDS. USDA REQUIRED THAT THIS RESTAURANT ALLOWANCE, HOWEVER, MUST BE COUNTED AS INCOME FOR THE PURPOSE OF CALCULATING FOOD STAMP BENEFITS. THE INCLUSION OF THE RESTAURANT ALLOWANCE AS ADDITIONAL INCOME RESULTED IN A LOSS OF $80 PER MONTH IN FOOD STAMPS FOR THE FAMILIES.

THEN, IN 1986, THE USDA RULING ON THIRD PARTY PAYMENTS ALSO RESULTED IN A LOSS OF FOOD STAMP BENEFITS. BECAUSE OF THAT RULING, A FAMILY OF FOUR (ONE ADULT AND THREE CHILDREN), FOR EXAMPLE, LOST $81 PER MONTH IN FOOD STAMPS. IN OCTOBER, 1986, WE TOOK ACTION TO AMELIORATE THE IMPACT OF THE USDA THIRD PARTY SHELTER PAYMENT DECISION. WE INCREASED THE RESTAURANT ALLOWANCE AGAIN FOR HOTEL FAMILIES BY $36 PER MONTH PER PERSON FOR EACH CHILD AND PREGNANT WOMAN. AS A RESULT OF THIS FURTHER INCREASE, HOMELESS FAMILIES AGAIN SUFFERED A LOSS IN FOOD STAMP BENEFITS: THE SAME FAMILY OF FOUR LOST AN ADDITIONAL $29 PER MONTH IN FOOD STAMPS, FOR A TOTAL LOSS OF $110 PER MONTH SINCE THE USDA RULING.

MOREOVER, I BELIEVE IT IS RELEVANT TO NOTE THAT MOST EXPERTS ON HUNGER IN THIS NATION HAVE STRESSED THAT THE FOOD STAMP PROGRAM HAS NOT KEPT UP WITH FOOD COSTS. THE PHYSICIAN'S TASK FORCE THAT TOURED THE COUNTRY TWO YEARS AGO TO ASCERTAIN WHETHER THERE WAS SIGNIFICANT EVIDENCE OF HUNGER, ESTIMATED THAT AT LEAST 20 MILLION AMERICANS WERE AFFECTED BY HUNGER. LOCAL SOUP KITCHENS AND FOOD PANTRIES ESTIMATE THEY SERVE 250,000 PERSONS A MONTH. AND SO, TO REDUCE THE BENEFITS OF HOMELESS FAMILIES, THOSE MOST AT RISK -- 75 PERCENT OF WHOM ARE CHILDREN -- SEEMS DOUBLY CRUEL AND SHORT-SIGHTED. I'M SURE THIS WAS NOT THE INTENTION OF THE USDA'S ACTION BUT, UNFORTUNATELY, IT IS THE END RESULT.

IN NEW YORK CITY, THEREFORE, WE HAVE COME TO RECOGNIZE HOW DIFFICULT IT IS FOR HOMELESS FAMILIES TO MAKE ENDS MEET. WE RECOGNIZE THE PREDICAMENT OF A MOTHER LIVING IN A HOTEL ROOM WITHOUT COOKING FACILITIES WHO MUST, SOMEHOW, PROVIDE HER CHILDREN WITH NUTRITIOUS MEALS. I KNOW MANY FAMILIES MANAGE, BUT WITHOUT ADEQUATE COOKING FACILITIES, OTHER THAN AN ILLEGAL HOTPLATE AND ONE POT, WE KNOW IT TAKES EXTRAORDINARY ORGANIZATIONAL AND BUDGETARY SKILLS. WE KNOW THAT SOME FAMILIES ARE HAVING A HARD TIME STRETCHING THEIR FOOD DOLLARS THROUGH THE MONTH.

TO FURTHER ASSIST FAMILIES WHEN FOOD STAMPS AND RESTAURANT ALLOWANCES ARE NOT ENOUGH, NEW YORK CITY SUPPLEMENTS THE EFFORTS OF LOCAL SOUP KITCHENS AND FOOD PANTRIES WITH THE TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP). THROUGH THIS PROGRAM, THIS YEAR WE WILL PURCHASE MORE THAN $2 MILLION WORTH OF FOOD AND DISTRIBUTE IT TO 350 SOUP KITCHENS AND FOOD PANTRIES ACROSS THE CITY.

WITH THIS BACKGROUND IN MIND, YOU MAY BE ABLE TO REALIZE THE IMPORTANCE OF MAXIMIZING FOOD STAMP BENEFITS FOR HOMELESS FAMILIES. FOR THE NEXT PORTION OF

MY TESTIMONY. I WANT TO ADDRESS THE IMPORTANCE OF EXCLUDING FROM INCOME PAYMENTS MADE TO THIRD-PARTIES FOR SHELTER WHEN DETERMINING A HOUSEHOLD'S FOOD STAMP BENEFIT LEVEL.

THIRD PARTY PAYMENTS FOR SHELTERING HOMELESS FAMILIES

H.R.558, "URGENT RELIEF FOR THE HOMELESS ACT", WHICH HAS BEEN PASSED BY HOUSE, INCLUDES A PROVISION TO RESTORE FOOD STAMP BENEFITS TO HOMELESS FAMILIES AND THEIR CHILDREN BY NOT COUNTING THIRD PARTY PAYMENTS MADE FOR TEMPORARY HOUSING. WE STRONGLY SUPPORT THE HOUSE LANGUAGE AND URGE YOU TO INCORPORATE THIS PROVISION INTO S.812.

THE HOUSE BILL CLEARLY STATES THAT ALL PAYMENTS MADE FOR TEMPORARILY HOUSING PERSONS BE EXCLUDED AS INCOME FOR THE PURPOSE OF CALCULATING FOOD STAMP BENEFITS. SUCH TEMPORARY HOUSING WOULD HAVE TO LACK EITHER FACILITIES FOR THE PREPARATION AND COOKING OF HOT MEALS OR THE REFRIGERATED STORAGE OF FOOD FOR HOME CONSUMPTION. SUCH A CHANGE WOULD REQUIRE THAT HOMELESS PERSONS TEMPORARILY RESIDING IN SUCH FACILITIES WOULD BE PROVIDED WITH THE INCREASED FOOD STAMP BENEFITS CONSISTENT WITH THEIR TEMPORARILY INCREASED NEED. THE LEGISLATION SHOULD ALSO MAKE IT CLEAR THAT SUCH THIRD PARTY PAYMENTS CAN BE VOLUNTARY ON THE PART OF THE PARTICIPANT.

WHEN USDA ISSUED ITS RECENT POLICY ON THIRD PARTY SHELTER PAYMENTS, WE WROTE TO SECRETARY LYNG REQUESTING HIM TO REVERSE HIS DECISION. IN OUR OPINION, USDA'S CHANGE IN POLICY IS NOT MANDATED BY STATUTE (7 U.S.C. 2014). HOWEVER, HE DISAGREES WITH OUR OPINION AND HAS DECLINED TO CHANGE HIS MIND.

THE FAIR RESOLUTION OF THIS PROBLEM IS TO RECOGNIZE THAT THESE HOMELESS FAMILIES LACK COOKING AND STORAGE FACILITIES AND SHOULD BE PROVIDED WITH FOOD STAMP BENEFITS COMMENSURATE WITH THEIR EMERGENCY AND TEMPORARY LIVING SITUATIONS.

FOOD STAMPS FOR HOMELESS INDIVIDUALS

IN ADDITION TO INCREASING FOOD STAMP RESOURCES TO HOMELESS FAMILIES, I WOULD ALSO URGE THAT THE RULES ON THE PROVISION OF FOOD STAMPS TO HOMELESS INDIVIDUALS BE IMPROVED. AS OF YESTERDAY, THE CITY OF NEW YORK COMMENCED THE PROCESSING OF APPLICATIONS FOR FOOD STAMPS BY HOMELESS INDIVIDUALS PURSUANT TO THE "HOMELESS ELIGIBILITY CLARIFICATION ACT OF 1986", P.L. 99-570. WHILE I AM FULLY SUPPORTIVE OF THE PURPOSES OF THIS LEGISLATION, I HAVE GRAVE CONCERNS ABOUT SOME UNINTENDED EFFECTS OF THIS LAW, WHICH I BELIEVE REQUIRE CONGRESS'S ATTENTION AND REMEDIAL ACTION.

THE LAW ALLOWS HOMELESS INDIVIDUALS RESIDING IN NONPROFIT SHELTERS TO RECEIVE FOOD STAMPS. SHELTER OPERATORS AND OTHER NONPROFIT FOOD PROVIDERS MAY REQUEST, BUT NOT REQUIRE, HOMELESS INDIVIDUALS TO USE THEIR FOOD STAMPS VOLUNTARILY TO HELP DEFRAY THE COST OF THE MEALS. THE OPERATORS MUST BE PROPERLY CERTIFIED, ENSURE THAT THE PERSON PRESENTING THE FOOD STAMPS IS A QUALIFIED "HOMELESS" INDIVIDUAL AND CHARGE NO MORE THAN THE COST OF THE ACTUAL FOOD IN THE MEAL, NOT THE COST OF PREPARATION. I BELIEVE THESE REQUIREMENTS WILL RESULT IN CONFUSION AND A NUMBER OF POLICY AND ADMINISTRATIVE PROBLEMS.

THE MOST APPARENT PROBLEM IS THE POTENTIAL FOR MISUSE OF THE FOOD STAMP PROGRAM. AS I HAVE INDICATED, WE PROVIDE SHELTER ON A DAILY BASIS TO OVER

10,000 HOMELESS INDIVIDUALS, ALL OF WHOM ARE PROVIDED THREE MEALS A DAY. UNDER THE STATUTE, THESE INDIVIDUALS WILL ALSO BE ELIGIBLE FOR A MONTHLY FOOD STAMP ALLOTMENT OF APPROXIMATELY $81. BY PROVIDING NO RESTRICTION OR MECHANISM TO CHANNEL THE USE OF THESE FOOD STAMPS, I GREATLY FEAR THAT SOME SHELTER RESIDENTS MAY SELL THEIR FOOD STAMPS. WHILE WE WILL TAKE EVERY RESPONSIBLE MEASURE TO CONTROL SUCH ACTIVITY, I BELIEVE THAT THE PROBLEM IS OF CONCERN AND THEREFORE SHOULD BE ADDRESSED BY THIS COMMITTEE.

PERHAPS MORE IMPORTANTLY, THE PROCEDURES FOR PROVIDING PREPARED MEALS TO THE HOMELESS UNDER THIS STATUTE ARE STRUCTURED SO AS TO MAKE ITS IMPLEMENTATION BY EITHER GOVERNMENT OR NOT-FOR-PROFIT ORGANIZATIONS DIFFICULT, IF NOT IMPOSSIBLE. IF A SOUP KITCHEN, FOR EXAMPLE, CHARGES EVERYONE, INCLUDING FOOD STAMP RECIPIENTS, IT WILL TURN AWAY MANY TRUELY NEEDY INDIVIDUALS. IF IT CHARGES NO ONE, AND ASKS FOR VOLUNTARY DONATIONS OF FOOD STAMPS, IT WILL RECEIVE VERY FEW FOOD STAMPS WITH WHICH TO INITIATE NEW FOOD PROGRAMS ON THE PROSPECT OF A CONTINUING REVENUE STREAM. ALSO, DETERMINING WHETHER A PERSON REQUESTING MEALS IS AN ELIGIBLE MEMBER OF THE "HOMELESS," WILL SADDLE FOOD PROGRAMS WITH A DIFFICULT ADMINISTRATIVE BURDEN.

SEVERAL IMMEDIATE STEPS CAN BE TAKEN TO AMEND THIS PROGRAM TO ACHIEVE WHAT I BELIEVE ARE ITS INTENDED RESULTS. FIRST, MEASURES SHOULD BE CONSIDERED TO CURB THE LARGE POTENTIAL FOR ABUSE BY INDIVIDUALS ALREADY RECEIVING THREE MEALS A DAY. FOR EXAMPLE, FOOD STAMPS GIVEN TO CLIENTS WHO ARE RESIDING IN SUCH INSTITUTIONS COULD BE SPECIALLY DESIGNATED SO THAT THEY WOULD BE SPENDABLE ONLY IN A PROGRAM SPECIFICALLY DESIGNED TO PROVIDE FOOD TO THE HOMELESS. SUCH A MEASURE COULD SIGNIFICANTLY CURB POTENTIAL ABUSE MY MAKING SUCH FOOD STAMPS LESS MARKETABLE ON THE STREET, WHILE AT THE SAME TIME ENSURING THEIR AVAILABILITITY AS A RESOURCE FOR THE HOMELESS. WHILE THIS IS ONLY ONE

SUGGESTION WHICH MAY OR MAY NOT PROVE FEASIBLE IN PRACTICE. CONGRESS MUST SQUARELY ADDRESS THIS ISSUE AND PROPOSE SOME MEASURES WHICH WILL PRESERVE THE INTEGRITY OF PUBLIC SUPPORT FOR THE FOOD STAMP PROGRAM. ALSO, ANY SHELTER OR OTHER PROVIDER OF SERVICES TO THE HOMELESS SHOULD BE ALLOWED TO HAVE THE OPTION OF BECOMING A "REPRESENTATIVE PAYEE" FOR FOOD STAMPS IF SO DESIGNATED BY A HOMELESS CLIENT.

NEXT, THE LEGISLATION SHOULD BE AMENDED TO ALLOW A PROVIDER OF PREPARED MEALS TO REQUIRE FOOD STAMP RECIPIENTS TO USE THEIR FOOD STAMPS WHILE PROVIDING FOOD WITHOUT CHARGE TO NON-RECIPIENTS.

MOREOVER, THE STATUTE SHOULD BE AMENDED TO ALLOW SHELTERS AND SOUP KITCHENS TO CHARGE FOR THE FULL COST OF PREPARED MEALS, RATHER THAN THE COMPONENT RAW FOODS. IN THIS MANNER, A PRIVATE ORGANIZATION OR LOCAL GOVERNMENT CAN CREATE NEW FOOD PROGRAMS FOR THE HOMELESS, WHICH COULD PROVIDE A NEW, SELF-SUSTAINING RESOURCE TO MEET THE FOOD NEEDS OF THE HOMELESS.

IT SEEMS IRONIC TO ME THAT CONGRESS SHOULD ENACT LEGISLATION GREATLY LIBERALIZING THE AVAILABILITY OF FOOD STAMPS TO HOMELESS INDIVIDUALS WHO ARE ALREADY RECEIVING MEALS IN PUBLIC OR PRIVATE INSTITUTIONS WHILE AT THE SAME TIME THE DEPARTMENT OF AGRICULTURE HAS MOVED TO SIGNIFICANTLY REDUCE THE AMOUNT OF FOOD STAMPS AVAILABLE TO HOMELESS FAMILIES LIVING IN SO-CALLED "WELFARE HOTELS". I THINK IT IS IMPORTANT TO MAXIMIZE FOOD STAMP RESOURCES FOR BOTH INDIVIDUALS AND FAMILIES.

A DIRECT COMPARISON BETWEEN THE FOOD STAMP RESOURCES AVAILABLE TO A HOMELESS INDIVIDUAL AND A TYPICAL FAMILY OF FOUR HIGHLIGHTS THE DIFFERENCE IN POLICY. AS OF APRIL 1, 1987, A HOMELESS INDIVIDUAL WITH NO OTHER INCOME IS ELIGIBLE FOR

$81 IN FOOD STAMPS PER MONTH. BY COMPARISON, A HOMELESS FAMILY OF FOUR (ONE ADULT AND THREE CHILDREN) LIVING IN A HOTEL, NOT INCLUDING THE NEW YORK CITY RESTAURANT ALLOWANCE INITIATIVES, RECEIVES ONLY $33 IN FOOD STAMPS PER MONTH. IN TERMS OF FOOD STAMP BENEFITS ONLY, THIS WORKS OUT TO 90 CENTS PER MEAL FOR EACH HOMELESS INDIVIDUAL COMPARED TO 9 CENTS PER MEAL FOR EACH HOMELESS FAMILY MEMBER. THE FOOD STAMP PROGRAM IS THE FLAGSHIP OF OUR NUTRITIONAL EFFORTS, AND YET THIS IS WHAT IT HAS COME TO: A DOLLAR FOR AN ADULT AND A DIME FOR A CHILD. THIS IS HARDLY EQUITABLE.

OTHER NUTRITION PROVISIONS

ALTHOUGH THE ISSUES I HAVE BEEN DISCUSSING ARE OF PRIMARY IMPORTANCE TO THE HOMELESS IN NEW YORK CITY, I ALSO WANT TO INDICATE MY POSITION ON OTHER NUTRITION PROVISIONS IN S.812 AND H.R.558.

BOTH THE SENATE AND THE HOUSE BILLS PROVIDE EXTENDED AUTHORIZATION AND FUNDING FOR THE TEMPORARY EMERGENCY FOOD ASSISTANCE ACT OF 1983. WE STRONGLY SUPPORT EXTENSION OF THIS PROGRAM AND PREFER THE SENATE VERSION SINCE YOUR BILL PROVIDES ADDITIONAL FUNDING AND TARGETS A SIGNIFICANT PORTION OF THE FUNDING FOR THE HOMELESS. SINCE 1983, WE HAVE DISTRIBUTED 100 MILLION POUNDS OF SURPLUS COMMODITIES TO HUNGRY NEW YORKERS.

BOTH BILLS ALSO PROVIDE FEDERAL REIMBURSEMENT FOR THE PROVISION OF FOOD STAMP OUTREACH TO THE HOMELESS. WE STRONGLY SUPPORT THAT MEASURE. IT WOULD ALLOW US TO EXPAND OUR EXISTING OUTREACH ACTIVITIES TO TARGET THE HOMELESS. WE ESTIMATE THAT ABOUT HALF OF THE NEW YORKERS LIVING IN POVERTY DO NOT PARTICIPATE IN THE FOOD STAMP PROGRAM.

WE ALSO SUPPORT THE SENATE'S EXPEDITED FOOD STAMP PROVISION AND THE PROVISION REQUIRING THE SECRETARY TO PROMULGATE REGULATIONS ON THIRD PARTY PAYMENT EXCLUSIONS. THE PROVISION TO EXPEDITE DOES NOT EFFECT OUR CURRENT PROCEDURES, SINCE WE CURRENTLY ISSUE EXPEDITED FOOD STAMPS IN LESS THAN THE FIVE DAYS REQUIRED BY THE BILL.

THE HOUSE BILL CONTAINS SEVERAL OTHER PROVISIONS THAT WE THINK SHOULD BE INCLUDED IN S.812. ALTHOUGH WE SUPPORT THE HOUSE PROVISION OF A NATIONAL INCREASE IN THE EXCESS SHELTER DEDUCTION, WE THINK IT SHOULD BE DETERMINED ON A REGIONAL BASIS, SINCE COSTS VARY WIDELY THROUGHOUT THE COUNTRY. THIS DEDUCTION RECOGNIZES THAT INCOME USED FOR HOUSING COSTS SUCH AS RENT, UTLITIES AND FUEL CANNOT BE SPENT FOR FOOD AND THEREFORE SHOULD BE DEDUCTED BEFORE DETERMINING FOOD STAMP BENEFITS. HOWEVER, THE CURRENT DEDUCTION, EVEN WITH THE PROPOSED INCREASE, IS INADEQUATE. BECAUSE HOUSING COSTS HAVE BEEN RISING, NEARLY 34 PERCENT OF THE NATION'S FOOD STAMP HOUSEHOLDS HAVE HOUSING EXPENSES GREATER THAN THE EXCESS SHELTER DEDUCTION.

MOREOVER, THE HOUSE BILL CONTAINS PROVISIONS TO MAKE ADDITIONAL SURPLUS CHEESE AVAILABLE TO STATES AND AN EFFECTIVE DATE THAT WOULD IMPLEMENT THE BILL SOONER THAN THE SENATE BILL. WE SUPPORT BOTH OF THESE PROVISIONS.

CONCLUSION

I THINK WE HAVE DEMONSTRATED THAT, DESPITE THE BEST INTENTIONS, CONFLICTING NUTRITION POLICIES FOR THE HOMELESS HAVE PRODUCED UNINTENDED AND DETRIMENTAL RESULTS. FOOD STAMP ASSISTANCE FOR INDIVIDUALS COMPARED TO FAMILIES IS NOT EQUITABLE. MOREOVER, THE AMOUNT OF ASSISTANCE AFFORDED HOMELESS FAMILIES WHO DO NOT HAVE THEIR MEALS PROVIDED AND DO NOT HAVE KITCHEN FACILITIES IS CLEARLY

INADEQUATE. YOUR CONSIDERATION OF THE "THE URGENT RELIEF FOR THE HOMELESS ACT OF 1987" PROVIDES YOU WITH THE OPPORTUNITY TO ENSURE THAT ALL HOMELESS INDIVIDUALS, ESPECIALLY CHILDREN, ARE AFFORDED THE OPPORTUNITY TO SECURE ADEQUATE NUTRITION.

ON FEBRUARY 10, 1987, COMMISSIONER GRINKER TESTIFIED IN SUPPORT OF H.R.177 BEFORE THE SUBCOMMITTEE ON DOMESTIC MARKETING, CONSUMER RELATIONS AND NUTRITION OF THE HOUSE AGRICULTURE COMMITTEE. HE URGED THAT LEGISLATION BE ADOPTED THAT ENSURES THAT HOMELESS PERSONS ARE PROVIDED THE OPPORTUNITY TO OBTAIN ADEQUATE NUTRITION. THE PROVISIONS OF H.R.177, INCLUDING THE PROVISION REQUIRING THIRD PARTY SHELTER PAYMENTS TO BE EXCLUDED FOR PURPOSES OF DETERMINING FOOD STAMP BENEFITS FOR HOMELESS FAMILIES, HAVE BEEN INCORPORATED INTO H.R.558. FOR YOU TO INCLUDE THESE PROVISION IN THE SENATE VERSION OF THIS MAJOR PIECE OF BI-PARTISAN LEGISLATION FOR THE HOMELESS IS ESSENTIAL. AS CHAIRMAN PANETTA STATED IN THANKING COMMISSIONER GRINKER FOR HIS TESTIMONY, "ALTHOUGH NUTRITION IS SIMPLY A 'LIFE LINE' WHILE WE WORK TO ELIMINATE THE BASIC PROBLEMS WHICH CREATE HOMLESSNESS, PROVIDING ADEQUATE NUTRITION TO THE HOMELESS IS THE BARE MINIMUM WHICH WE MUST DO IF WE DESERVE TO BE CALLED A HUMANE SOCIETY." I WHOLEHEARTEDLY AGREE.

THAT THIS CONGRESS IS MAKING AN EARLY EFFORT THROUGH THIS "URGENT RELIEF FOR THE HOMELESS ACT" TO DEAL WITH THESE PROBLEMS IS GOOD NEWS INDEED. THOSE AMONG US WHO ARE MOST IN NEED REQUIRE OUR MOST URGENT ATTENTION. THE AMENDMENTS TO S.812 THAT I AM SUGGESTING WILL HELP ENSURE THAT THOSE NEEDS ARE ADDRESSED IN A SIGNIFICANT WAY. I URGE ADOPTION OF THE AMENDMENTS AND PASSAGE OF THE BILL.

FRAC
FOOD RESEARCH AND ACTION CENTER

TESTIMONY OF

ROBERT J. FERSH

EXECUTIVE DIRECTOR

FOOD RESEARCH AND ACTION CENTER

before the Subcommittee on
Nutrition and Investigations

Committee on Agriculture, Nutrition, and Forestry

United States Senate

Hearing on Hunger and Homelessness

S. 728 and S. 812

April 2, 1987

1319 F STREET, N.W. #500 • WASHINGTON, D.C. 20004 • (202) 393-5060

Good Morning. My name is Robert Fersh, and I am the executive director of the Food Research and Action Center here in Washington. FRAC, as we are commonly called, is an organization that works to alleviate hunger and poverty in the United States. We work on many different levels, but our particular area of expertise is federal food assistance programs.

My primary role today is to present our views on the pending initiative to address the nutrition needs of homeless people. We would like to applaud Chairman Harkin, Senator Dole, Senator Leahy, and Senator Byrd on the important steps forward contained within the pending Senate bill. At the same time, however, we feel that we must note several other extremely serious aspects of homeless peoples' problems that are not now addressed in the bill.

Overview

We believe it is most important that the food stamp program not contribute, directly or indirectly, to forcing more Americans into homelessness. We also believe that it is equally vital that adequate assistance is made available to those that already are homeless.

Many such issues need and deserve our attention, but for our purposes here we would like to focus upon three crucial changes needed in current food stamp rules to keep them from driving more people into homelessness and upon four reforms needed to remove barriers that current rules erect in the way of homeless people

in severe need of assistance to obtain an adequate diet. Specifically, we applaud the pending Senate bill's provision of expedited service to households with incomes and resources insufficient to cover even one month's shelter costs so that they are not forced to spend their rent money on food while they wait for their food stamp applications to be approved. We urge the Committee to follow the House's lead in increasing the limit on the amount of excess shelter expenses that households may deduct so that they are not forced to choose between paying their rent and buying food for their families. And we urge the Committee to eliminate the penalty that current household composition rules impose upon households taking in homeless relatives.

The pending bill's explicit guarantee of expedited service to homeless people and its authorization of outreach efforts directed at the homeless should both be very helpful in helping homeless people overcome obstacles in the application process that currently keep them off of food stamps altogether. We also urge the Committee to join the House in overturning USDA's policy of reducing homeless people's food stamp allotments to reflect vendor payments public agencies make to the operators of "welfare hotels." And we urge the Committee to revise the definition of disability to encompass those mentally ill and other disabled homeless people who may be waiting for a decision on SSI applications but who have been found disabled under state needs-based programs that apply standards at least as stringent as those under the Social Security Act.

Expedited Issuance

Under current rules, households applying for food stamps are routinely forced to wait thirty days or longer to receive their benefits. And during this waiting period, poor households may be left with the untenable choice between losing their shelter and going without food. Households with incomes or resources slightly over the limits for expedited service may face imminent eviction if they fail to use those minimal funds to pay their rent and utilities. Getting food stamps to these households promptly is essential so that they can spend their scarce resources to stave off homelessness by paying their rent and keeping basic utility service on.

The expedited service provision of the pending Senate bill sensibly recognizes the tragedy and inequity of having delays in applications processing force eligible, needy households into homelessness. To ameliorate this problem, the bill assures expedited service to households facing imminent eviction. Clearly households whose gross incomes and resources are less than one month's rent plus utilities are on the very brink of homelessness. Without it, these households will have to wait thirty days for the outcome of the normal application process and spend their meager incomes and resources on food instead of making at least part payments on their rents and utilities to prevent an eviction or shut-off.

Lack of expedited issuance can also have the effect of

denying food stamps altogether to homeless people who have trouble negotiating the applications process because of illiteracy or mental illness, because they have lost important personal papers, or for other reasons. Reports from advocates around the country indicate that many homeless people have difficulty getting onto the program because of excessive verification requirements, convoluted, over-long applications, and local food stamp offices' lingering failure to recognize that homeless people may be eligible for food stamps. Quite apart from questions of immediate need, homeless people's very transiency makes them particularly unable to cope with delays in receiving their food stamp benefits.

Many of those that are eligible for expedited service are not recognized as such. Homeless people, who are among the applicants in the most extreme circumstances, are often denied expedited service. State agencies not accustomed to giving food stamps to homeless people may erroneously demand that homeless people provide a mailing address or may insist upon determining their eligibility together with others where they are receiving temporary shelter. Although this is a very complex problem, rooted in large part in USDA's failure to monitor adequately state agencies' compliance with the Food Stamp Act, the pending bill's guarantee of expedited issuance to all homeless households is an important step forward.

Making homeless people specifically eligible for expedited service should not increase the number of households qualifying

for expedited service much since virtually all homeless people will be well within the expedited service gross income and resource limits. It will ensure that homeless applicants are more quickly recognized as persons entitled to expedited treatment.

Providing expedited service to households whose gross incomes and liquid resources are less than their immediate shelter costs should cause only a very modest increase in expedited service. The rules for expedited service would remain far more stringent than those in force before 1982: these reforms preserve the stringent resource limits imposed in 1982, and they do not revive the pre-1982 practice of allowing households to qualify for expedited service through the combined effects of all the deductions provided by the Act.

According to an extensive nationwide study of expedited service commissioned by USDA and released last year, very few households not now receiving expedited service are very close to the eligibility thresholds. The study found that the number of households eligible for expedited service, would go up by less than five percentage points by raising the gross income standard to $200 and by less than three points by increasing the resource limit to $150. We would note that the current expedited service limits, $150 for gross income and $100 for resources, have not been adjusted for inflation in the almost five years since they were enacted in 1982.

In any event, the pending Senate bill's changes in expedited

service should have extremely little effect on program costs since expedited service merely accelerates the issuance of food stamps to which households are already entitled: it in no way expands program eligibility. USDA's study of expedited issuance in Texas showed that applications approved under the expedited service regulations have essentially the same error rate as those authorized under the normal, thirty-day processing standards. Moreover, the amount of benefits at issue in any expedited case are very small: only one pro rated month's benefits are issued before all verification is in.

Excess Shelter Deduction

Current food stamp rules contribute to causing homelessness by prohibiting most households from taking deductions for the full, reasonable amount of their necessary and reasonable shelter costs. H.R. 558, the homeless relief bill recently passed by the House, increases the maximum excess shelter expense that can be deducted from income in the food stamp program from its present level, $149, to $168 per month. The provision was included in H.R. 558 to help prevent homelessness by recognizing the high costs that many food stamp households must pay for shelter. Money that a household must pay for rent and utilities cannot be used to buy food, but current food stamp law does not fully recognize this fact for households with high rent or utilities.

The need for a higher deduction limit is shown by the most recent (1984) "Characteristics of Food Stamp Households" data

from USDA. (At that time, shelter and dependent care expenses were still combined into one deduction, but few of the deductions claimed were for dependent care.) Twenty-seven percent of all food stamp households claimed the maximum deduction, indicating that substantial numbers of families had shelter expenses in excess of those that the food stamp program would recognize. Informal contacts with several officials of several states this winter, including Vermont, Minnesota, North Dakota, and Missouri, indicate that from 2/3 to more than 3/4 of households in those states have otherwise deductible shelter expenses that they cannot claim because of the current cap.

The Congressional Research Service also reported recently that the annual inflation adjustment to the shelter deduction ceiling has failed to accurately reflect increases in shelter costs. The first factor causing this underadjustment was the Congressionally mandated "freeze" of the deduction ceiling from January 1981 to October 1983. The second factor was Congress' decision in 1981 that the shelter inflation adjustment should exclude the Consumer Price Index component for homeownership costs. The resulting indexing method seriously understated substantial increases in housing costs while focusing disproportionately upon energy costs, which were relatively stable at the time of the international oil glut. According to CRS, if the cap on this deduction had not been frozen for almost three years, and if fuel and utilities had been assigned the same weight they were given before 1981, the maximum shelter deduction

might now be as high as $168.

Because many households have shelter costs that they cannot now deduct, and because the annual inflation adjustment has not kept up with shelter costs, it is appropriate that Congress should now adjust the deduction to help prevent homelessness.

This is a most modest change. Only shelter expenses that exceed 50% of income after all other deductions can be claimed. The provision does not add new recipients: "high" income people are already kept out by the gross income limit of 130% of the poverty level. Indeed, with the gross income limits enacted in 1981 to limit participation to very low income households, the original purpose of the cap on the excess shelter deduction has disappeared. Although we are not urging the total elimination of the cap at this time, we do respectfully recommend that this Committee incorporate the House provision on deducting shelter costs into the Senate bill.

Household Definition

The program's current rules limiting who may apply for benefits as a household contribute to homelessness by penalizing people for taking in homeless relatives.

Most poor people can form a separate food stamp household by purchasing and preparing food independently. In 1981, as part of the Omnibus Budget Reconciliation Act's cuts in domestic programs, Congress denied that right to parents living with their children. In 1982, in a search for additional savings, Congress

returned to this issue and extended the rule to adult siblings living together. It is now clear that we went too far, particularly in 1982.

A recent New York mayoral commission's study of homelessness found that "'eviction' by a friend or relative is the most common reason cited by families for becoming homeless." The commission stated that "steps can and should be taken to identify individuals and families on the brink of homelessness and help them to avoid resort to the shelter system. ... Although doubling up is not optimum housing policy, the critical shortage necessitates a policy of encouraging people to share housing. But current public assistance and food stamp policies and practices are not structured to further such a policy." The Commission concluded, and we strongly agree, that "it is inequitable and unwise not to provide additional economic incentives to households in permanent housing, especially those that give up their privacy and share accommodations with others." The Commission suggested that such a policy might well pay for itself in the form of reduced expenditures for emergency shelter and other services.

To stop the food stamp program from discouraging doubling- and tripling-up to prevent homelessness, we propose that the sibling rule, which was added in 1982 to OBRA 1981's parent-child rule, be eliminated. It clearly was a step too far that particularly endangers the homeless. We also propose that adult children with children of their own should be allowed to be a

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separate household from their parents if they can prove that they purchase and prepare food separately. These changes preserve the basic concept enacted in 1981 while protecting its unintended victims and removing disincentives to share scarce housing with people in need.

At a bare minimum, forcing doubled- and tripled-up relatives to be part of the same food stamp household has reduced benefits. This has caused severe hardship to parents, children, and siblings who are not in fact receiving any support from the relatives the law requires to be included in their households. It also has made some poor people, who might otherwise be willing to take in needy relatives, refuse to do so: to keep their own food stamps from being reduced, these people must keep relatives from living with them. The result, for parents, children, and siblings with nowhere else to go, is homelessness. The current rule denies benefits to many needy poor people and cause families to be evicted from siblings', parents', and children's homes when that is their housing of last resort. In this way, the "hidden homeless", living in squalor in the basements, attics, or back rooms of their relatives, are thrust directly onto the streets.

The current rules have the effect of penalizing food stamp recipients for taking in relatives in need. The rules may also force poor people with nowhere else to go to choose between shelter, being offered by a relative, and food stamps, which will be lost if they move in with those relatives.

In many cases, an informal, family-based "welfare system,"

if left alone, may well be able to respond to shelter emergencies and avert homelessness without public intervention. Overtaxing poor family members' resources, as the parent-child and sibling mandatory household definition rules do, may lead to the total collapse of this support network for many families and individuals, thereby causing homelessness and suffering for the families involved and increasing their dependency upon public resources for emergency shelter as well as food assistance. Penalizing and forcing the break-up of extended families' living together may also deprive potentially employable recipients of low-cost child care from a grandparent, aunt, or uncle.

Most states have no support laws compelling one adult sibling to support another, and many do not require adult children and their parents to support each other under many circumstances. No other major benefit program deems income and resources between adults, other than spouses, in this way. The current rules deny food stamps to many people whose poverty and need would be unequivocally recognized by general assistance, AFDC, SSI, medicaid, and other categorical programs for the poor. So although relatives' income and assets are counted in determining parents, grown children, and adult siblings' eligibility for food stamps, they generally have no way of gaining access to those relatives' resources.

The current rules prevent parents, grown children, and adult siblings from applying for food stamps on their own. If the relatives they have moved in with will not to help them with an

application, by appearing at interviews and submitting verification of their personal circumstances, current law absolutely bars these parents, children, and siblings from receiving food stamps. Some parents, children, and siblings may have to move in with relatives whose income is sufficient to allow them to get by without food stamps: in these cases, they may receive no food stamps whatsoever even if they are in great need.

Combining the food stamp allotments of two households will result in a combined allotment less than the sum of the two individual allotments and often will yield a combined allotment less than either of the two individual ones. A poor relative considering whether to allow a parent, adult child, or sibling to move into his or her dwelling unit must therefore consider not just the physical inconveniences of overcrowding what may already be inadequate housing but also must be prepared to suffer a reduction in his or her own food stamps as the price of this generosity. Not surprisingly, people active with the food stamp program on the local level report that, when the parent-child or sibling rule is applied to relatives who had their own separate food stamp allotments, the result is frequently a hurried eviction.

The sibling rule passed in 1982 is a particular threat to the homeless because it presumes upon relationships often far weaker than those between parents and children. Homeless people often will be hard-pressed to persuade siblings to let them move in even if the only cost to the siblings is inconvenience and

loss of privacy. Where siblings' eligibility for food stamps is imperiled, or where siblings may be forced to provide financial support for their homeless relatives if they open their doors, many people who are now among the "hidden homeless" will be in plain view in the streets, shelters, and welfare hotels.

Where an adult has already started a family of his or her own, he or she is much less likely still to be sharing incomes and resources with the children's aunts, uncles, and grandparents. Whatever the traditions about adult siblings, it clearly is not expected in our society that aunts, uncles, and grandparents will be made to support children that still have a natural parent present and attempting to care for them. Forcing these family units to be in the same food stamp household with relatives also risks exposing the young children to the ravages of homelessness.

Also, the families and individuals involved are most clearly in genuine need of food assistance and are among the most likely to be receiving housing from a parent, child, or sibling because they lack the means to obtain housing of their own, making them among the most vulnerable to eviction and homelessness if their living arrangement is disturbed by forcing their relatives to participate in the food stamp program.

FRAC believes that all of the mandatory household composition rules passed in 1981 and 1982 should be reexamined because they are inconsistent with the purposes of the food stamp program and the basic concept of the food stamp household as a

buying and eating unit. Congress should carefully consider replacing the current system of defining households with an "economic unit" concept similar to that applied in most other needs-based programs. As an interim measure, the carefully limited reforms we have outlined should go a great distance towards alleviating the special problems faced by the homeless.

These are only very modest adjustments to the current household composition rules, with small cost. But it would mean a great deal to the relatively few, desperately poor people affected. Also, allowing poor parents, adult children, and adult siblings to stay in the homes of relatives will save millions of dollars of public funds that would otherwise be needed for emergency shelter and other services to the homeless.

Outreach

Many homeless people do not know about the benefits available under the food stamp program or are unaware of how to get them. Since the abolition of outreach in the food stamp program in 1981, insufficient efforts have been made to inform homeless people of the availability of food stamp benefits and to assist those that are unable to negotiate the applications process on their own.

Prior to 1981, all states were required to conduct outreach activities to inform eligible households of the availability of Food Stamps. In 1981, Congress terminated both the mandate and federal matching funds for outreach.

Research and testimony since then indicate that the lack of information about the availability of Food Stamps has kept many eligible people from taking part in the program. A 1983 study by Professor Richard Coe showed that 42.6% of eligible households not participating in the program indicated lack of information as the reason they were not participating. Sixty-nine percent of eligible elderly households gave the same reason for not participating in a 1982 USDA study.

Helen Hershkoff, an advocate with years of experience working with homeless people in New York, testified before the House Nutrition Subcommittee this year on February 25 showed that many homeless people in particular remain unaware that they are eligible for Food Stamp benefits. They are the least likely in our society to learn by word-of-mouth of the availability of government programs, but among those in most need of nutritional assistance. The pending Senate bill partially remedies this situation by allowing, but not requiring, the states to conduct outreach to the homeless with federal matching funds. This is a most modest change, with a CBO preliminary cost estimate in FY88 of $1 million.

The bill could and should be improved by amending the outreach provision to permit outreach to users of emergency food and shelter facilities. Such a provision would reach and assist the near-homeless when they are destitute but before they have lost all housing. The additional cost of such a change should not be more than $1 million.

Vendor Payments for Emergency Shelter

Many homeless people being accommodated on a temporary basis in "welfare hotels" are denied adequate benefits because USDA insists that state and local payments to those hotels be counted as income to the households even though the households never see the money involved. This imposes a particularly harsh burden because the homeless families involved are denied shelter deduction precisely because their rents are paid in this way.

The House Bill, H.R. 558, requires that vendor payments for emergency housing not be counted as income and therefore used to reduce benefits in the food stamp program. Although this provision would apply nationwide, it was prompted by USDA's actions to force New York City officials, who pay thousands of dollars to "welfare hotel" owners in order to provide temporary housing for homeless families, to count part of those payments as income to the homeless families. The part being counted is that portion of the AFDC grant which New York State calls the "shelter standard;" this shelter allocation is given only to families with actual rental costs. USDA would nonetheless treat these families as if they are receiving a cash shelter grant like other AFDC families, treat them as if they have all the ability to purchase and store foods in bulk as a family with a freezer and refrigerator shopping at a suburban supermarket, and treat them as if they were able to prepare their meals with a four-burner range and oven. In fact, the welfare hotel payment is not

actually available as income to the families.

Families in temporary shelter also have much higher food costs because they have little or no ability to purchase and prepare food; at best, the family will have a hot plate and a "low-boy" refrigerator of storing a few items. Many of their meals must therefore be eaten in restaurants. Because they have no transportation, the groceries that they can buy must be purchased from expensive in-town grocery stores. Groceries must also be bought in smaller quantities due to the lack of storage and refrigeration, thus raising these families' costs still further. Moreover, because of these very vendor payments, the families are not allowed to take the shelter deduction that reduces the countable income of most other food stamp households.

USDA's policy has brought about a reduction of up to $90 per month in food stamp benefits for these homeless families. As the homeless problem grows, more and more communities are being forced to resort to housing homeless people in run-down hotels. Unless corrected, USDA's policies will deprive these households as well of benefits they desperately need to eat. The House Bill would correct this situation by excluding from income vendor payments which pay for temporary housing in which there are no facilities for the adequate preparation and storage of food.

USDA's policy is particularly inappropriate in light of the agency's continuing refusal to promulgate the regulations required under the Food Security Act's vendor payments provision. Without these regulations, there is no basis for excluding <u>any</u>

vendor payments as emergency assistance. The pending Senate bill quite rightly demands that USDA promulgate these long-overdue regulations promptly, within 30 days of enactment. To address specifically the needs of homeless families in temporary housing, however, the Senate bills should also incorporate this material from the House bill. These particularly needy families can be served at very modest cost: the CBO's preliminary cost estimate for FY88 is $7 million.

Disabled Homeless People

Homeless people's special physical and mental handicaps are not properly recognized by the current definition of "disabled". Many severely disabled people, especially those whose disabilities developed suddenly or recently, are not being recognized as disabled by the food stamp program. These people experience the same kinds of problems and incur the same kinds of extraordinary expenses that other disabled people do, yet current law denies them the special deductions and other considerations afforded other disabled people. This group includes many people who are homeless, who were recently homeless, or who are on the brink of becoming homeless since these people may have difficulties navigating the complex application processes necessary to receive the federal benefits that are key to the program's current definition of disability.

Current law limits the definition of "disabled" persons to recipients of SSI, Social Security or VA disability, a few other

kinds of federal disability benefits, or certain state and local governmental pensions if they apply a disability criteria as stringent as that under the Social Security Act. The application process for these federal benefits is so slow that even the most severely disabled individuals must wait months or years for benefits, but only former governmental employees can be considered disabled based upon a state determination of disability.

Disabled people under the food stamp program may deduct excess medical costs from their food stamp incomes. This is especially important to homeless people because many need extensive treatment for physical or mental conditions.

Disabled people under the food stamp program also may receive higher deductions for excessive housing costs than other food stamp households. Temporary shelter may be much more expensive than normal leased housing. Deductions for excess shelter costs are therefore vital for the disabled homeless.

Also, disabled people are allowed to form separate food stamp households from their children and siblings. Without this opportunity, many homeless people may be unable to persuade relatives to take them in since the relatives fear having their own food stamps reduced or terminated. Even if homeless people can get relatives to take them in, without the separate household status allowed disabled persons they may be ineligible for food stamps because of the relatives' incomes. Some disabled people who do receive a joint food stamp allotment with relatives may be too severely mentally or physically impaired to demand and

obtain their fair share of food stamps from that relative.

Since many of these disabled people are already receiving benefits based upon their disabilities under state general assistance programs with standards as or more stringent than those of the Social Security Act, the definition should allow persons determined disabled under these programs to be treated accordingly. This change would continue to rely upon the federal definition of disability and would continue to avoid involving food stamp eligibility workers in making new disability determinations for the food stamp program. The only difference would be that disabled people would more quickly be recognized as such where states already are determining disability under the federal standard faster than large federal agencies.

Relatively few new people would be treated as disabled under these changes since most disabled persons receive benefits under the SSI, SSDI, and VA programs: states generally require persons receiving GA on the basis of disability to apply for federal disability benefits.

TEFAP

Leaving for a moment the food stamp program, we would also like to draw the Committee's attention to the very important Temporary Emergency Food Assistance Program (TEFAP) program. The pending Senate bill calls for TEFAP to be reauthorized through FY88 at $70 million per year because the demand for surplus commodities for the needy and for administrative funds to pay for

transportation, storage, and other costs continues to increase every year.

Informal estimates indicate that approximately 18 million individuals currently make use of TEFAP commodities. The people served by TEFAP are among our society's most vulnerable. Substantial numbers of commodity recipients are children, elderly, handicapped, or rurally isolated. 49% of the people receiving emergency food in Oregon are children, according to a survey by the state-wide food bank network.

Inadequate funding for TEFAP will hurt these vulnerable Americans. The level of administrative funding determines the ability of states, food distributors, and local feeding organizations to pay for substantial transportation and storage costs. Rural areas, in particular, have no independent ability to fulfill refrigerated or dry storage needs for commodities which are shipped by the truck or railroad car-load, and these areas are the first to see distributions reduced or terminated when administrative funding is insufficient.

The level of funding also influences the quantity of commodities which states can order, the states' ability to fulfill burdensome federal eligibility, fiscal, and record requirements, the equitability of food distributions, and the states' decision whether or not to participate in the program. When administrative funds were exhausted in 1985, close to half the states had significantly reduced their surplus food orders before Congress passed a supplemental appropriation (P.L.99-98)

providing an additional $7 million for FY86. Before Congress overturned the Administration's deferral this year, a number of states announced that they could not afford to participate in the program without federal support. The federal matching requirement ensures that the states contribute their fair share, but the states cannot fund the program alone.

A 1985 MIT study of the TEFAP program found that adequate administrative funding is "critical to the health of current TEFAP administration." The current funding level of $50 million, according to the study, is a serious problem for most emergency feeding organizations which have never received as much as 5% of the value of the commodities. The authors therefore supported an increase in funding.

The current authorization ends this fiscal year. Although we applaud the increase in the Senate Bill to bring administrative funding into line with actual program needs, we are concerned about the brevity of the reauthorization it contains. The House Bill reauthorizes TEFAP through fiscal year 1990, which would bring its reauthorization date into line with that of the Food Stamp Act.

Other Issues

I would like to bring several other important food stamp issues to the Subcommittee's attention today. Although you may not be able to address them in the context of the emergency

homeless initiative, I would like to flag them for oversight in the future.

There is increasing evidence that the manner in which the food stamp program, in particular, is being administered is contributing to the serious problem of hunger in the United States. In recent years, the lack of program outreach and the strict emphasis on program accountability from the federal level, with little or no countervailing concern for responsiveness to the needy, has led to a substantially lower level of service and accessibility in the program. Consider the following factors:

-- Food stamp participation in 1986 was at its lowest point since 1980, despite the fact there were three to four million more persons living in poverty in 1986 than in 1980. A 1985 Urban Institute study commissioned by USDA indicated that by 1983, there were 600,000 fewer food stamp participants than could be explained by the impact of budget cutbacks in 1981-82 and economic factors.

-- State and local food stamp administrators have repeatedly stated in public settings that they are under such pressure from the federal government to reduce error rates that "when in doubt, benefits are delayed or denied." The federal government considers only overpayments and payments to ineligibles when determining whether states must pay sanctions for high error rates. While underpayments and improper denials

and terminations are measured, they are of less consequence to the states because they are not considered in determining sanctions.

-- A recent General Accounting Office study revealed an alarmingly high percentage of persons whose food stamp cases had been improperly denied or terminated. In reviewing a sample of food stamp cases that had been denied or terminated, GAO found that in 23 percent of the cases, the action was improper under federal regulations.

-- An April 1985 study commissioned by USDA revealed that, based on a representative sample, the average processing time for expedited service to destitute food stamp applicants was 7 days. By law, all households eligible for expedited service are supposed to receive benefits within 5 days. In addition, there is evidence that some states fail to comply with the 30-day standard for processing food stamp applications for households that do not qualify for expedited service.

-- A major increase in reporting requirements has been placed on substantial numbers of participants in many states. Monthly reporting and increased verification requirements are leading to a phenomenon known as "churning." Increasing numbers of persons are dropped from food stamp participation for failure to comply with procedural requirements, despite being eligible

for benefits. In many instances, they return to the program a month or two later, having been financially eligible all along.

-- There are increasing reports that food stamp offices in many areas are either open for limited hours or fail to take more than a certain number of applications in a given day. This can be a substantial barrier to participation, especially for working poor households and families with children.

-- Many state and local food stamp administrators openly state that paperwork and bureaucratic procedures have limited the accessibility of the Food Stamp Program. Some of them believe these policies were deliberately designed to restrict access and participation.

The following quotations are excerpted from "Increasing Hunger and Declining Help: Barriers to Participation in the Food Stamp Program", a May 1986 report of the Physician Task Force on Hunger in America, Harvard School of Public Health. I believe they provide a good indication of some of the problems facing eligible, needy households on the local level as they try to obtain food stamps.

o "The federal government has come up with a way to keep poor people from getting food stamps. They force us to use devices to keep hungry families from getting food, and it's

a wonder our workers haven't been killed."

Texas Regional Food Stamp Director

- "The Food Stamp Program is a nightmare...it's a baby and the bathwater situation. The federal focus on error rates is a conscious and deliberate attempt to shift costs to the states."

South Dakota Social Services Director

- "The federal rules are intended to set up barriers to keep eligible people from getting food stamps. The barriers are mindboggling...and they work."

Arkansas Food Stamp Director

- "Paperwork and red tape are stacked so high that (people) have to be Olympic pole vaulters to get over."

Director, Illinois Department of Public Aid

- "Why, you ask, do 280,280 Mississippians eligible for food stamps not receive benefits? The answer...the hassle."

Mississippi Welfare Commissioner

- "Many Texans with a legitimate need are being kept off, or kicked off, federal food assistance because of bureaucratic barriers and procedural changes."

Senate Chairman, Texas Interim Committee

on Hunger and Nutrition

- "The Administration's agenda is to keep the number of food stamp recipients down by making it impossible for us to reach many of the needy. They're succeeding."

  Missouri Food Stamp Official

- "The federal regulations are too complicated...just crazy. If fans stopped coming to NFL games, something would be wrong with the rules of the game. The food stamp rules need to be changed to let needy people participate."

  Iowa Food Stamp Official

- "Federal food stamp officials are deliberately trying to reduce food stamp services, not through Congress but by administrative decree. The ideologues are winning."

  Florida Food Stamp Official

Conclusion

Thank you for the opportunity to testify. We at FRAC stand ready to assist the Subcommittee in any way we can. We are confident that, under the leadership of Senators Harkin and Dole, this Subcommittee will take important steps to alleviate the plight of the hungry and homeless in our society.

[Material submitted for inclusion in the record follows:]

AMERICAN PUBLIC
WELFARE ASSOCIATION
1125 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20005

Peter A. Breen, President
A. Sidney Johnson III, Executive Director

Suite 300
Telephone: (202) 293-7550

April 1, 1987

The Honorable Tom Harkin
705 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Harkin:

The American Public Welfare Association joins you and your colleagues in your concern for the plight of the homeless. Homelessness is an acute and growing national problem--a problem which promises to grow more critical if not addressed. A recent study by the U.S. Conference of Mayors found that the homeless population increased by 25% in 1986. We know the homeless are no longer the stereotypical alcholic male. The reach of homelessness is much greater and has a far more devastating impact for American's future. Perhaps the most distressing fact is that the fastest growing segment of the homeless population is families with children. Ever-increasing numbers of teenagers, able-bodied adults and families have turned to the streets because decent jobs are not available and government assistance no longer provides an effective safety net for these people. With minimum federal aid states, localities and the private sector have been struggling to respond to the most pressing needs of the homeless, but far too many people remain unserved.

Senate bill 812 will clearly improve the effectiveness of both the food stamp program and the Temporary Emergency Food Assistance Program (TEFAP) in serving the homeless population. APWA supports increased funds for outreach and informational efforts; expanded expedited service eligibility, reauthorization of the TEFAP program, targeting of the TEFAP funds and the preclusion of state shelter payments for temporary housing from being counted against food stamp benefits. This bill represents a worthwhile effort to address some of the needs of the homeless. However, I must point out APWA's strong support for the increase in the shelter cap deduction for food stamp households included in the house passed homeless bill, H.R. 558. H.R. 558 increases the maximum excess shelter expense that can be deducted from income in the food stamp program from its current level, $149 to $168 per month. To address the problem of homelessness adequately we cannot ignore the role that increased housing costs play in the growing number of homeless people. The annual inflation adjustment to the shelter deduction ceiling has failed to reflect accurately increases in shelter costs for low income households.

The Honorable Tom Harkin
April 1, 1987
Page two

The need for a higher deduction limit is indicated by data compiled by USDA, "Characteristics of Food Stamp Households" (1984). At the time the study was made shelter and dependent care expenses were still a combined deduction, few of the deductions however were for dependent care. Nonetheless, the data provides persuasive evidence of the relation between shelter costs and a family's ability to pay rent and afford other life essential needs. Twenty seven percent of all food stamp households claimed the maximum deduction, indicating that a significant number of families had shelter expenses in excess of those acknowledged by the food stamp program. These households which pay more for shelter have limited resources left over for food.

APWA encourages the inclusion of the House increased shelter deduction provision in S. 812.

We thank you for this opportunity for input on the homeless issues and assure you of APWA's support in your work to provide nutrition assistance to the homeless and those who may be forced to join their number.

Sincerely,

A. Sidney Johnson III
Executive Director

National Milk Producers Federation
1840 Wilson Blvd. Arlington, VA 22201
703-243-6111

James C. Hoff, CAE
Chief Executive Officer

April 2, 1987

The Honorable Tom Harkin
Chairman
Subcommittee on Nutrition and
Investigations
Senate Committee on Agriculture
Washington, D.C. 20510

Dear Mr. Chairman:

The National Milk Producers Federation supports S. 718 and S. 812 which would, among other things, extend the Temporary Emergency Food Assistance Program beyond the current September 30, 1987, expiration date as well as target food assistance for the homeless.

Dairy farmers through their cooperatives which comprise the membership of the National Milk Producers Federation have a long history of support for the nation's nutrition and feeding programs.

Without entering into the debate on how and why the number of homeless has increased, there can be no debate that efforts must be made to provide these citizens with the basic human needs of food, shelter, and clothing.

However, a concern that you, Mr. Chairman, and the subcommittee, might want to examine is the availability of dairy products in CCC for the targeted assistance to the homeless.

As you are well aware, the Food Security Act of 1985 removed 12 billion pounds of milk production from our national supply through the whole herd buyout program. A quick review of CCC net removals in the last two years and our estimates for FY 1987 and 1988, as well as projected domestic program usage for that same period of time, indicates that available dairy stocks are tightening. (see attachment)

The combination of reduced milk production and expanded government and private distribution efforts raises the possibility of limited CCC product availability in 1987 and 1988 as compared to the last five years. This could create problems for the TEFAP program which has historically been placed at the bottom of the priority list in terms of use of dairy and other CCC-held commodities.

James P. Camerlo, Jr., President Herbert Selbrede, First Vice President Elwood Kirkpatrick, Second Vice President

Section 416 of the the Agricultural Adjustment Act of 1949, created the following list of priorities for use: school lunch; Bureau of Indian Affairs and federal, state, and local public welfare organizations for the assistance of needy Indians and other needy persons; to private welfare organizations for the assistance of needy persons within the United States; to private welfare organizations for the assistance of needy persons outside of the United Staten.

However, in P.L. 98-92, the Supplemental Unemployment Benefits - Temporary Emergency Food Assistance Act of 1983, Section 202(a) puts TEFAP recipient agencies behind: (1) other domestic donation programs; (2) other domestic obligations (including quantities needed to carry out a payment-in-kind acreage diversion program; (3) international market development and food aid commitments; and (4) farm price and income stabilization purposes of the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the Commodity Credit Corporation Charter Act.

We raise this concern, Mr. Chairman, because the TEFAP program, which was initiated in 1981 when CCC-dairy stocks were at an all-time high for the specific purpose of utilizing those stocks to feed the most needy, may now find itself impacted negatively by programs enacted to reduce the costs of the dairy price support program.

Congress must decide if the commitment to the homeless is to take precedence over other policies and if it wishes to insure that there are available dairy products available for distribution to the homeless. Should these concerns be realized, it appears that there are at least three options for the Congress to consider which would accomplish the objective of providing CCC dairy products for the homeless:

1. establish a minimum amount of dairy products that must be reserved for TEFAP and/or the homeless (as was done for wheat in P.L. 98-8);
2. recognize that the 5 billion pounds of milk equivalency which is the "acceptable" level for CCC dairy removals is arbitrary and insufficient to meet the expectations and obligations of the feeding and distribution programs and raise the CCC net removal level with no penalty to dairy farmers;
3. appropriate or redirect funds for the purpose of purchasing dairy products for the homeless.

Thank you for this opportunity to comment on S. 718 and S. 812. NMPF continues to support our domestic and international feeding programs and recognizes the need to provide assistance to the homeless.

Sincerely,

James C. Barr, CAE
Chief Executive Officer

JCB:sbz

Attachment

COMMODITY CREDIT CORPORATION CHEESE AND BUTTER INVENTORIES
Projected Purchases, Utilizations and Inventories
October 1, 1986 - October 1, 1988

		ACTUAL PRODUCT BUTTER	CHEESE	MILK EQUIVALENT
		---------- Million Pounds ----------		
INVENTORY LEVELS: OCTOBER 1, 1986		205.2	492.7	7,414.0
FISCAL 1986-87 ADJUSTMENTS:				
Estimated Net Removals: 10/1/86 -- 9/30/87	1/	159.4	262.9	5,889.1
Estimated Use Through Domestic and Foreign Food Assistance Programs:	2/	267.3	638.3	11,826.1
ESTIMATED INVENTORY LEVELS: OCTOBER 1, 1987		97.3	117.3	3,168.2
FISCAL 1987-88 ADJUSTMENTS:				
Estimated Net Removals: 10/1/87 -- 9/30/88	3/	183.4	322.4	6,972.5
Estimated Use Through Domestic and Foreign Food Assistance Programs:	2/	267.3	638.3	11,826.1
ESTIMATED INVENTORY LEVELS: OCTOBER 1, 1988		13.4	(198.6)	(1,685.5)

1/ Fiscal 1987 purchase estimates are based on actual purchase figures through March 27, 1897. Estimates for remainder of fiscal 1986-87 are based on CCC data and NMPF production projections.

2/ Fiscal 1987 and fiscal 1988 estimates of butter and cheese utilizations equal the actual amounts of CCC product used in fiscal 1986 for all domestic and foreign food programs, including CCC exports.

3/ Fiscal 1988 purchase estimates are calculated by NMPF and based on a assumed net removal level of seven billion pounds for fiscal 1988.

Source: Agricultural Stabilization and Conservation Service, USDA

STATEMENT OF THE HOMELESS
FAMILY RIGHTS PROJECT OF
THE LEGAL AID SOCIETY OF NEW YORK

Submitted by:

Helen Hershkoff
Staff Attorney
Homeless Family Rights Project
The Legal Aid Society
11 Park Place
New York, N.Y. 10007

The Homeless Family Rights Project of The Legal Aid Society of New York welcomes the invitation of the Subcommittee on Nutrition and Investigations of the Senate Committee on Agriculture, Nutrition and Forestry to submit comments on S. 728 and to participate with the Committee in its effort to improve the nutrition of the homeless.

The Legal Aid Society is a private, non-profit organization incorporated under the laws of the State of New York for the purpose of rendering legal representation and assistance without cost to persons in New York City who are without adequate means to employ other counsel. It is the oldest organization of its kind in the United States. The Homeless Family Rights Project protects the rights of homeless families with children.

New York City currently has over 4000 homeless families -- including 11,000 children -- who sleep daily in barracks-style

shelters but mostly in squalid "welfare" hotels. For these children, "home" usually means no more than a transient placement in a hotel room with inadequate heat and hot water; exposure to crack dealers and prostitutes who lurk in hotel hallways; a hallway bathroom with no doors and no privacy; a vermin-infested mattress in a dirty room, where the doors do not lock and the noise from outside is frightening.

Consider what life means to a child who comes "home" to a single room at the Allerton Hotel in Chelsea, to a room that may not have an operable bathroom or basic furniture such as a table or chair, sufficient beds and certainly not a stove for cooking. There's no refrigerator, and nighttime snacks must be carefully protected against the roaches and the mice.

Consider what it means to feed a child when your "home" is a single room in a Times Square hotel, and your kitchen is the bathroom sink, perhaps an illegal hot plate, and the window ledge serves as refrigerator (operable only during winter, of course).

Consider what it means to feed a child when the maximum public assistance grant for prepared meals -- given by New York State to families without cooking facilities -- is only $1.10 for children, and 70 cents for mothers.

Consider what meal time has meant to Valerie R., a homeless mother, who resides with her four children in a single room at the Brooklyn Arms Hotel:

> When I lived in an apartment with cooking facilities, I purchased meats, poultry, vegetables, rice, beans, dairy products and other items in bulk and prepared them myself.
>
> I am now forced to buy many of my family's meals in restaurants and delicatessens, which is very expensive.
>
> Because of the high cost of prepared food, I am not able to provide my children and myself with as nutritious a diet as I could on regular public assistance budget when I lived in an apartment with cooking facilities, despite the fact that I spend almost all of my money on food.
>
> * * *
>
> Because of my increased food expenses, I usually run out of money five or six days before receiving my semi-monthly check.
>
> At that point I must rely on the various organizations which distribute free food, and to borrow money to meet my other expenses. During this period I often go hungry so that my children have more to eat.

(Excerpted from a sworn affidavit, dated November 20, 1986).

Little wonder, then, that 80 percent of the homeless families with children surveyed at the Martinique Hotel in Manhattan reported eating less food and food of an inferior quality than they did while living in permanent housing. Consider:

* 95 percent found it difficult to prepare meals in a hotel room
* 92 percent did not have a refrigerator

* 100 percent did not have a stove

* 72 percent used a hot plate to heat their meals

* 97 percent reported that the price of food in mid-town deli-groceries was more expensive than in their original communities.

(Community Service Society of New York, Struggling to Survive in a Welfare Hotel, at 3).

Worse still, many homeless men and women, including families with children, do not know how or where to apply for food stamp assistance. Instead, they go to food pantries, panhandle for change, or stand on souplines to get free food. According to the New York City Human Resources Administration, a full one-third of the destitute homeless persons surveyed at soup kitchens and food pantries have never even applied for food stamps because they have been told or believe that they are ineligible. Another 14 percent did not know how to apply for food stamps. And 10 percent of the public assistance recipients surveyed -- mostly mothers with children -- did not get food stamps, even though they are undoubtedly eligible for assistance. (New York City Human Resources Administration, Office of Program Evaluation, Characteristics and Use of Conventional Benefits by Users of Soup Kitchens and Pantries, at p. 6, Table 3).

The Homeless Family Rights Project thus welcomes Section 2 of S. 728, which will authorize outreach to the homeless and

reimburse the states with federal moneys for the administrative costs of informational activities. You cannot get food stamps if you do not know where and how to apply. If you are homeless and poor, odds are you haven't got the money to place a telephone call to find out, or to even know who to call. Recent studies all point to lack of information as an important reason for low-participation rates in the food stamp program. We thus strongly support Section 2 of S. 728, "Authority to Provide Information," and hope that in future years federal moneys will be extended for outreach to groups that are also underrepresented in the food stamp program, especially the elderly poor and SSI-recipients.

The Homeless Family Rights Project also supports Section 3 of S. 728 which will require expedited issuance of food stamps to financially eligible homeless persons within five days of application. A homeless child whose mother has no cash or income is a hungry child. That child should not have to eat at a soup kitchen while the family's food stamp application is being processed. But soup kitchen cannot handle all the many homeless families who might go hungry while their food stamp applications are being processed.

We also support Section 3, for extending expedited issuance "to any household that has a combined gross income and liquid resources that is less than the monthly rent and utilities of the household." For those families on the brink of homelessness, the

first of the month often puts them to a cruel choice: pay the rent and go hungry, or be evicted and eat on the street. Section 3 of S. 728, by requiring that food stamps be issued to families at-risk of homelessness within five days of application, takes an important step forward to improve the nutritional status of the homeless and near-homeless.

The Homeless Family Rights Project notes that Section 6 of S. 728 will require the Secretary of Agriculture to implement the existing vendor payments exclusion of Section 5(k)(2)(E) of the Food Stamp Act of 1977 within 30 days of enactment.

Under the vendor payments exclusion, "emergency and special assistance," such as payments made by New York to hotel owners for the cost of providing emergency shelter to the homeless, is excluded from the calculation of income for purposes of determining household eligibility and benefit levels under the food stamp program.

Nevertheless, the Secretary of Agriculture has declined to issue regulations to implement this exclusion. The Secretary's failure has meant a drastic reduction in food stamp assistance for homeless families -- a homeless mother with two children who temporarily resides in a hotel receives only $49 per month in food stamps rather than $122 because of the Secretary's inaction.

So, too, the Secretary has refused to exclude special hotel payments from the calculation of income for food stamp purposes

despite the fact that they are payments for a non-normal expense, and thus excludible as a reimbursement under 7 U.S.C. § 2014 (d) of the Food Stamp Act. The hotel payment is no more than phantom income to the household, and does not increase its food purchasing power in any way.

We respectfully suggest, therefore, that Section 6 of S. 728 be revised in positive aspects to conform to H.R. 558, which does not depend on action by the Secretary of Agriculture but instead explicitly prevents food stamp reductions to low-income homeless persons who are temporarily sheltered in "welfare" hotels that lack adequate cooking facilities. Section 504 of H.R. 558, encompassing the Food and Nutrition Provisions of the proposed Urgent Relief for the Homeless Act, clarifies pre-existing law -- which already requires the exclusion of special hotel payments under the general category of "reimbursements," but is not being enforced by the Secretary of Agriculture -- and provides for an explicit exclusion from food stamp income of

> housing assistance payments made to a third party on behalf of a household residing in temporary housing if the temporary housing unit provided for the household as a result of such assistance payment lacks facilities for the preparation and cooking of hot meals or the refrigerated storage of food for home consumption [.]

We believe it critical for this year's Congress -- in this year of the homeless, year of the hungry -- to make explicit that emergency hotel payments, which homeless families do not receive

and cannot use to buy food or other non-shelter essentials, cannot be charged against food stamp allotments. In no way can the hotel payment be likened to a shelter allowance which under normal circumstances does count as income for food stamp purposes. No portion of the hotel payment is legally obligated to the household; to the contrary, a household that does not incur rent because it is homeless is not entitled to receive any shelter allowance under law.

Destitute homeless families with children find themselves in domestic and financial arrangements unimaginable to persons who live in permanent housing. Homeless families lack permanence, they lack the furniture needed for daily living, they lack ovens and refrigerators and sofas and chairs. Their possessions are in storage, their lives are in flux. Homeless families cannot buy food in bulk because they do not have storage facilities for five-pound bags of rice or refrigeration for even a gallon of milk. They cannot prepare home-cooked meals because they do not have a stove, so cannot convert raw supplies of cheap food stuffs into low-cost dishes like casseroles or stews.

The extraordinary living circumstances of homeless families generate extraordinary expenses that cannot be met by the basic public assistance grant. To impute as income hotel payments -- $100 a day or more -- or any portion of that payment to these households simply condemns a needy and vulnerable population to hunger and malnourishment.

We thus urge the Committee to conform S. 728 to the House language set forth in H. 558, and clarify that the Food Stamp Act excludes emergency hotel payments from food stamp income.

Finally, based on our experience working with homeless families, we urge the Committee to consider taking two additional steps to end hunger among the homeless:

First, we urge you to amend the Food Stamp Act to allow parents and children and siblings who must double-up in their living arrangements but do not share food expenses to claim separate household status. New York currently has over 100,000 households which -- because there is no available low-income housing -- must double-up with relatives.

Consider the plight of Delores B., a client, one of these invisible homeless. Living in the Bronx with her three children, Delores found it necessary to move into her mother's three-room apartment. The Housing Authority had a waiting list of 175,000 households. Delores' mother worked, but did not earn enough to support her daughter or feed her grandchildren. The current household rule required that Delores include her mother in her food stamp budget. Because of her mothers' income, Delores' food stamps stopped. So did her children's. The children became hungry. Relations in the apartment became strained. Delores and her three children moved out of the apartment and entered a welfare hotel in Queens at great cost to all levels of

government. The room was squalid, the hotel was sordid. The children could not longer go to school in the Bronx. Their young lives became disrupted. At last count, the children were placed in to foster care. We urge that you amend the "household rule" to allow families to live together without suffering financial penalties.

Second, the so-called excess shelter deduction should be raised or uncapped. When shelter costs are more than 50 percent of countable income, the Food Stamp Act permits the elderly and disabled to deduct, dollar-for-dollar, all "excess" shelter costs. Why deny this deduction to a young child? The social costs of hunger and malnutrition among children are enormous. Inadequate nutrition correlates positively with low-birth weight, cognitive deficiency, and delayed or stunted growth. Yet the current shelter deduction all but forces low-income households to use food money to pay the rent. Why condemn a generation of poor children to hunger -- when the food stamp program could be the most effect health dollar provided by the federal government to poor people? Raise or uncap the shelter deduction so that the poor need not choose between paying rent to a landlord or buying food at the grocery.

In conclusion, we strongly support:

* outreach for the homeless,
* expedited issuances within five days of application, and

* clarification that emergency hotel payments for temporary shelter that lacks a stove and refrigerator do not count as income for food stamp purposes.

A generation of American children -- growing strong, standing tall -- will thank you for your efforts on behalf or the hungry and homeless. And the Homeless Family Rights Project thanks you for this opportunity to express its views on this important issue.

STATE OF IOWA
DEPARTMENT OF HUMAN SERVICES

TERRY E. BRANSTAD, GOVERNOR
NANCY A. NORMAN, COMMISSIONER

April 1, 1987

Senator Tom Harkin
210 Walnut
Room 733 Federal Building
Des Moines, Iowa 50309

Dear Senator Harkin:

On behalf of the many needy families who regularly obtain foods available through the Temporary Emergency Food Assistance Program (TEFAP), thank you for your sponsorship of S.728 "To improve the nutrition of the homeless and for other purposes."

The "other purposes" (i.e. Sections 4 and 5 of the bill) are of particular interest to me as the administrator of TEFAP for the State of Iowa. An increase in funding from $50 to $60 million for FFY 87 and then to $70 million the next year will make possible an expansion of the program to reach more hungry people more often with more food. The additional money (if more food is also made available) would allow our program to expand.

- The total pounds of food distributed annually could be increased by approximately 40%;
- The frequency of distribution would increase from bi-monthly to monthly (Iowa distributed monthly from January 1982 until September 1985 when USDA cancellation of state processing and limitations on the amount of food available forced a reduction in distribution frequency.);
- The variety of foods offered at each of 671 distribution sites would be increased and made more consistent across the state; and
- Local agencies would be reimbursed for a greater portion of the costs of their distribution efforts.

I can assure you that, at least here in Iowa, any additional funds will go to pay food storage and transportation expenses and to reimburse local agencies for their distribution costs. Central administrative staff will not be increased.

As this and other bills to improve and expand TEFAP make their way through Congress, I suspect there may be opportunities for amendment. If this is the case, please consider the following proposals:

- Require USDA to allocate sufficient quantities (as well as varieties) of surplus food to meet the needs of all persons eligible for the program. In Iowa households with income at or below 185% of poverty are eligible. (This is the same income standard used for the reduced price school lunch program.) Iowa's allocation for FFY 87 is 10,700,000 pounds of food. This is simply not enough even though we expect to get approximately 4,000,000

HOOVER STATE OFFICE BUILDING DES MOINES IOWA 50319-0114

Pounds more through a reallocation process set up by USDA. This still is not enough, but it is as much as the state can afford to distribute at the current funding level.

Our concern is that an increase in the level of funding will have little impact unless Congress causes an increase the amount of food released for distribution.

The Secretary of Agriculture has released 1.056 billion pounds of food to TEFAP for FFY 87. If funding is increased to $60 million, then the food level should be increased proportionately to 1.267 billion pounds. A $70 million funding level for FFY 88 should result in a release of 1.478 billion pounds of food.

USDA often raises "market displacement" as the basis for a cautious approach to feeding the hungry. Hungry people should not be penalized because of a vague suspicion that somewhere someone is getting free cheese that they might otherwise be able to and would purchase. One possible approach to this problem would be to grant to Governors the authority to increase their state's food allocation level by 10% or more simply by certifying to USDA a need for the additional food. A statement that the increased distribution level will not cause market displacement could be part of the certification.

- The allocation formula now used by USDA to apportion food (and funds) among states penalizes those which try to serve as many low income persons as often as possible, while states that serve fewer people face no reduction in their food or funding allocation. States can in effect choose the level of need they wish to address by fixing an income eligibility level at any point up to 185% of poverty. Congress could establish an allocation formula which provides food and funding in proportion to the level of need that each state chooses to address.

- To assure that funding is adequate to meet all in-state storage and distribution expenses and to assure that funding, as well as food, is equitably apportioned among the states, Congress could establish a per pound allocation rate of 5 cents and force the agency make the money follow the food. In other words, the more food a state distributes the more money it gets. States which turn back food (so that they distribute less than their allocation) should also be required to turn back a proportionate part of the money allocated for distribution.

- Congress could permit states to process and package bulk food (cheese, dry milk, butter and possibly other commodities) into home usable portions and establish a reasonable per pound reimbursement rate for this service. Iowa and other states prior to FFY 86 proved that they could process cheese more efficiently than the USDA contract system and in so doing help finance the costs of in-state distribution and assure themselves of a continuous, wholesome, and timely supply of cheese. USDA cancelled the state processing system.

Thank you again for your efforts and for considering our recommendations. Please feel free to call William Armstrong at (515) 281-5808 if we can be of assistance in improving the TEFAP program.

Sincerely,

Nancy A. Norman

Nancy A. Norman
Commissioner

NAN/WAA/mb

TESTIMONY

submitted by

CESAR A. PERALES

Commissioner
New York State Department of Social Services

to the

Senate Nutrition & Investigations Subcommittee

April 2, 1987

The State of New York strongly supports the Urgent Relief for the Homeless Act (S.809), which will provide needed assistance to protect and improve the lives and safety of the homeless. New York also supports the Nutrition for Homeless Individuals Act of 1987 (S.812), which is the subject of this hearing today.

The provisions for increased outreach and expedited application process will further help to meet the food needs of homeless individuals and families. I would, however, urge this Committee to consider expanding the vendor payment section to require the Secretary of Agriculture to specify in the regulations that vendor payments shall not be counted as income for the purpose of calculating Food Stamp benefits. Currently, the language in S. 812 only requires that regulations be promulgated. Since the Secretary already has the authority to exempt vendor payments, we have no reason to believe that the Secretary will change his interpretation of the law through regulations.

In recent years there has been a dramatic increase in the number of homeless families in New York City. At present, there are approximately 4,256 homeless families (including approximately 10,373 children) in temporary shelters in New York City. Of these homeless families, 80 percent are in hotels and motels.

The State Food Stamp policy, approved by the United States Department of Agriculture (USDA) in June 1983, was to exclude the entire emergency housing assistance allowance paid to hotel and motel operators from Food Stamp income. In November of 1984, however, New York State was advised by USDA that the policy approval was rescinded and that the

portion of the hotel/motel emergency housing payment that is equal to the public assistance shelter maximum must be counted as income. The State vigorously protested this policy reversal, but was forced to implement under threat of sanctions. In August 1986, New York implemented the policy change.

The result was a substantial reduction in Food Stamp benefits to thousands of homeless families temporarily sheltered in New York City hotels. The average monthly Food Stamp benefit for a family of three (a single mother with two children) was reduced by an average of $75 per month. After implementing the policy change, my Department received reports that food kitchens and pantries near hotels sheltering the homeless were experiencing marked increases in the number of individuals being served.

Homeless families temporarily reside in hotel/motels until permanent housing can be found. This is an exceptional living circumstance which generates extra, non-normal food expenses. These hotels lack the food storage and preparation facilities of an apartment. Thus, feeding a family costs more money.

Counting even a portion of this payment to hotel/motel operators as income for homeless families reduces Food Stamp benefits and puts these households at nutritional risk. I therefore would urge this Committee to specifically prescribe that the Secretary exclude these payments as income in their entirety.

Congressional Research Service
The Library of Congress

Washington, D.C. 20540

February 9, 1987

TO : House Committee on Agriculture
Attention: Jim Rotherham

FROM : Joe Richardson
Education and Public Welfare Division

SUBJECT : Questions on Indexing of the
Food Stamp Shelter Deduction Ceiling

This memorandum is a preliminary response to your questions concerning the inflation indexing of the ceiling on food stamp shelter deductions. 1/

1. What would the shelter deduction ceiling be now, if the present 15-month "gap" in indexing were accounted for?

As you know, the shelter deduction ceiling was legislatively "frozen" at $115 a month between January 1981 and October 1983. 2/ When inflation indexing was resumed, effective October 1983, any increases in (1) renters' costs and (2) prices of fuels and other utilities related to housing, for the period October 1980 through December 1981, as measured by those components of the Consumer Price Index for All Urban Consumers (CPI-U), were not reflected in the shelter deduction ceiling, as directed by 1982 legislation. 3/

1/ Prior to May 1986, the ceiling under discussion actually applied to the combination of shelter and dependent-care expense deductions. However, in this memorandum, it will be referred to as the shelter deduction ceiling for simplicity's sake.

2/ P. L. 97-35 nd P. L. 97-253. Different dollar ceilings than the ones under discussion in this memorandum apply to Alaska, Hawaii, the Virgin Islands, and Guam; but, since they are indexed in the same manner, they are not dealt with separately.

3/ P.L. 97-253.

A precise measure of what the shelter deduction would be now, if price changes in the appropriate CPI-U components during this 15-month period were taken into account, is not immediately possible for us, given limitations on the data available to us to replicate the procedures normally used for updates, and time limitations. However, a rough approximation is possible. By a rough estimate, the shelter deduction ceiling would now be $159 a month, rather than its present $149. 4/

The procedure used takes account of inflation in the appropriate CPI-U components from October 1980 through June 1986, including the 15 months between October 1980 and December 1981. 5/ It indicates that the increase would have been 40.4 percent, as opposed to the 31.5 percent represented by the current shelter deduction ceiling.

This estimate of what the shelter deduction ceiling would be if the period not accounted for in the present $149 ceiling were taken into account should be used with caution. It uses "weights" assigned to the two components (i.e., renters' costs and fuels and other utilities) at the beginning and end of the period under consideration (i.e., September 1980 and June 1986) 6/ in computing

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4/ The computed increase is from $113.90, the unrounded amount on which the January 1981 $115 shelter deduction ceiling was based; until 1982, the law prescribed rounding to the nearest $5. The $159 amount is rounded down from $159.97, as required by law, just as the $149 amount was rounded down from $149.75.

5/ June 1986 is used as the end of the period under consideration because food stamp law uses the immediately prior June as the end-point for each October's inflation adjustment.

6/ September 1980 is used as the base month for the actual calculation because (1) the January 1981 adjustment reflected inflation through the CPI-U for September 1980 and (2) procedures regularly used in updating the ceiling call for its use (e.g., any 12-month adjustment begins with the index numbers as they stood in the month 13 months earlier).

index changes. This does not take into account significant revisions in assigned weights during the measurement period, changes that might noticeably affect the result because inflation in the two components differed substantially. The updating procedure normally used in calculating inflation adjustments to the shelter deduction ceiling takes these weighting changes into account.

2. How does the food stamp law's mandate to exclude CPI-U components for homeowners' costs and maintenance and repairs affect the inflation adjustment of the shelter deduction ceiling? Would the ceiling be different if different weights were used for the applicable CPI-U components?

As you know, in 1981, P.L. 97-35 required that the inflation adjustment of the shelter deduction ceiling exclude the CPI-U component for homeownership costs. The intent of this change, as expressed in the House Committee report on the measure (H. Rept. 97-106), was to remove expenditure items that had been "overstating" inflation in recent years and that were not normal expenses for the overwhelming majority of food stamp households. In response to a Bureau of Labor Statistics (BLS) decision to redefine the "homeownership" component into two components (i.e., homeowners' costs and maintenance and repairs), P.L. 99-198 directed the exclusion of these two components in lieu of the old homeownership component, as the Agriculture Department had already begun doing after consulting with the BLS.

The most immediately noticeable effect of excluding homeownership costs, and then homeowners' costs and maintenance and repairs, is that changes in these costs are simply not considered in calculating adjustments to the shelter deduction ceiling.

However, perhaps as important, the law's directive to exclude homeowners' costs and maintenance and repairs as components in calculating adjustments has

increased the importance (i.e., weighting) given the fuels and other utilities component in the calculation. When the various homeownership-related costs were included in the calculation, the fuels and utilities component had a minority weighting (about 17 percent based on the weighting used for the January 1981 adjustment). With homeowners' costs and maintenance and repairs removed from consideration, the relative influence of changes in costs for fuels and utilities jumped in relation to the remaining component, renters' costs, (to about 52 percent based on the weighting used for the October 1986 adjustment). As a result, the slowing down or speeding up of inflation in prices measured by the fuels and other utilities component has an increased effect on adjustments to the shelter deduction ceiling.

If a different weighting system were used, there would be significant effects on the food stamp shelter deduction ceiling. For example, a rough estimate of what the shelter deduction ceiling would be, if the weights assigned the fuels and other utilities component in the calculation done in answer to your first question had been derived from pre-1981 practices (e.g., 17 percent in 1980), indicates that it might be as high as $168 -- taking into account inflation from October 1980 through June 1986, as with the earlier estimate. However, as with the approximation in answer to your first question, this estimate should be used with caution since it does not take into account significant weighting changes during the 1980-1986 period. 7/

7/ For example, the shelter deduction ceiling might be as low as $162 if the most recent weight given fuels and other utilities were used throughout the period under consideration.

A Final Note. Because indexing in the Food Stamp program is of continuing interest and because the standard deduction is indexed to the CPI-U, exclusive of homeowners' costs and maintenance and repair components, it might be advisable to take a closer and more precise look at the effects of excluding these components. It also should be noted that since 1982 the major portion of the homeowners' cost component has been calculated using an "owners' equivalent rent" value, and that the CPI-U is scheduled to undergo a major revision in the near future.

Article from the Washington Post, by Spencer Rich, Washington Post Staff Writer

Homelessness Increased 20% During Winter, Group Says

By Spencer Rich
Washington Post Staff Writer

Homelessness increased by about 20 percent over the winter, according to a survey of 47 major cities and metropolitan areas released yesterday by the Partnership for the Homeless, an interfaith service group based in New York.

The survey was released as Senate committees prepared to begin work on a bill providing $393 million in this fiscal year to aid the homeless. The House, over Reagan administration opposition, has passed a bill authorizing $725 million over four years.

Also released yesterday was a congressional survey of 140 providers of shelter to the homeless, which found that nearly half of all persons served by the shelters who were eligible for food-stamp aid were not receiving it.

Most agencies surveyed turned homeless people away from shelters for lack of funds and space.

The survey, conducted last year by the House Select Committee on Hunger, also found that 81 percent of the shelters reported that private-sector shelter meals were the main source of food for people the shelters served, although half of the shelters provided only one major meal a day.

The Partnership for the Homeless surveyed 741 public and private sector agencies and said the vast majority reported that they had to turn homeless people and families away from shelters for lack of funds and space. The agencies surveyed, the group said, "overwhelmingly concluded" that federal budget cuts in recent years in a variety of programs for the poor "contributed or will contribute to homelessness in their city or locality."

The report said that homelessness is increasingly a problem for families with children. Nationwide, it said, 35 percent of the homeless population consists of families.

The survey found that the proportion of people homeless by choice was 7 percent. Respondents said the main problem was lack of affordable housing for low-income people. Other problems cited were lack of effective job training and placement and lack of planning for the care of mentally disabled people discharged from institutions.

The group said that the "current federal administration" was a "major cause of increased homelessness" because of its attempts to cut low-income housing and related programs and apparent "active insensitivity" to many such problems.

FT LAUDERDALE NEWS THURSDAY, FEBRUARY 5, 1987

Food stamps held up

Records show state slow to provide aid

By JENNI BERGAL
Staff Writer

Thousands of Floridians are struggling to feed their families because state workers routinely violate federal deadlines for issuing food stamps, records show.

One of the state's poorest records is at the Broward County food stamp office, which forces one in three families to wait — sometimes months — for assistance, according to state documents obtained by the *News* and *Sun-Sentinel*. As a result, many community food programs are overloaded with clients.

"This is a monumental problem and a total failure of the system," said Stephen King, an attorney for Legal Aid Service of Broward County. "Once people get out of sync, it can literally take two or three months to get your food stamps."

King said food stamp delays are among the major complaints handled by his office. He said he plans to join other Legal Aid attorneys across the state in filing a class action suit this spring, charging the constitutional rights of food stamp applicants are being violated because of the delays.

Officials of the state Department of Health and Rehabilitative Services say the food stamp program is understaffed and overwhelmed by paper work. Moreover, they say the agency is more concerned about being fined for overpaying a client than for failing to comply with timeliness standards.

"We're judged on timeliness and the accuracy of the application," said Broward HRS administrator John Stokesberry. "We don't have enough workers to do both adequately, so when we fall behind on our error rate, we

■ Error deprives family of food, electricity. 4A

SEE FOOD STAMPS /5A

FROM PAGE 1A

Program short of workers, pay, officials say

shift staff over there because we face federal sanctions. We're killing ourselves."

The aftereffects are obvious in Florida, where HRS monthly monitoring reports reveal about 20 percent of the 390,000 applications received between September 1985 and September 1986 were not processed within the required time.

The federally financed food stamp program was set up by Congress to ensure that low-income people have a nutritionally adequate diet. Food stamps supplement income to allow families to spend more money on food.

In Florida, HRS issued $361 million worth of food stamps to 235,000 households last year.

Federal regulations mandate that state agencies approve or deny food stamp applications within 30 days, and the U.S. Department of Agriculture requires 100 percent compliance.

But Florida welfare officials admit they cannot meet those guidelines because they have little motivation to do so.

Although the USDA is required to conduct management reviews of food stamp fraud and overpayments to clients — called "error rates" — it never has paid attention to delayed payments, officials say.

Nor has the USDA ever audited states that do not comply with time limit requirements, according to Lawrence Froehlich, chief counsel to the agency's inspector general.

"It's a travesty because the monitoring isn't going on and the USDA doesn't give a damn," said Robert Ferth, executive director of the Food Research and Action Center — a Washington, D.C.-based advocacy group that monitors federal food programs.

"There's no pressure from the feds, so the states don't suffer for it. Just the poor suffer," he said.

At the same time, states with food stamp error rates over 5 percent are targeted for fines by the USDA.

Last year, Florida was fined $1.97 million for exceeding the allowable error rate, according to a report issued last March by the state's Auditor General. The state is appealing the decision.

USDA officials say they know of no state that had been fined because of timeliness problems.

"The emphases in the regulations are pretty much focused to find out where we're losing dollars and look to see that states have been reducing the costs of the program," said Charles Sanford, regional chief of the USDA food stamp program in Atlanta.

Federal regulations divide applications into two groups: "expedited" service for those who have assets of less than $100 and resources of less than $150, and regular service for those with assets of less than $2,000 and a maximum income of $1,200 a month for a family of four.

Expedited applications must be processed within five days, and regular ones within 30.

Advocates say almost all applications that are held up eventually are approved.

The districts with the worst records are Broward — which had a 31 percent overall timeliness problem in 1986, and Jacksonville — which had a 31.5 percent rate.

In January 1986, one HRS office in south Broward failed to give 30-day notification to roughly 75 percent of the applicants, records show.

Each year, HRS in Broward receives about 18,000 food stamp applications, and distributes $15.6 million in stamps to 9,000 households — the lowest caseload in the state, officials said.

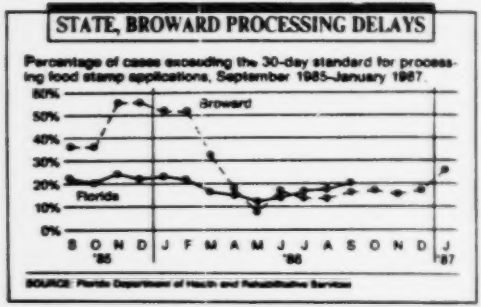
Legal Aid attorneys and state officials agree that HRS' failure to act quickly has shifted the burden from the state and federal government to local communities.

"In our area, churches run emergency food programs, and the city runs a welfare program," said Pat Clare, staff attorney for Legal Aid in Jacksonville. "These people are called upon to take up the slack. The state, in effect, is eating up local funds because they're not doing the kind of job they're supposed to do."

This pressure is being placed on local agencies throughout the nation, according to Paul DelPonte, public relations director for the Food Research and Action Center.

"A lot of these people are families with children," DelPonte said.

FOOD STAMPS



"We've found increasing numbers of people going to soup kitchens and food pantries nationwide. In many instances, they're waiting for their food stamps."

HRS officials attribute the timeliness problem to worker turnover, low wages and overworked employees.

Food stamp workers statewide earn an average of $9,000 a year and have a 46 percent turnover rate, according to Josie Colston, HRS food stamp program administrator.

"If the units get vacancies, they can very quickly fall behind," Colston said. "Then we have workers who are still learning, so they're not as swift as some of our older workers, who can process the work much faster."

But advocates claim that workers often require mountains of paper work — everything from electric bills to verification that a company chose not to hire an applicant for a job.

In July, a statewide HRS task force that met to discuss the problem of food stamp timeliness found that the major reasons behind the delays were vacancies, staff shortages and appointment backlogs.

The task force recommended a streamlined process, shorter interviews, more training, and a goal of 90 percent compliance statewide.

"We've found increasing numbers of people going to soup kitchens and food pantries nationwide. In many instances, they're waiting for their food stamps."
— Paul DelPonte, of the Food Research and Action Center

But in October, the director of HRS economic services admitted the problem hadn't gone away.

"The problem of time standards non-compliance continues to be of great concern," V. Sheffield Kenyon wrote to his staff. "Several districts now face litigation for failure to comply."

One lawsuit already had been settled in May, when a federal judge ordered HRS in Okeechobee County to process food stamp applications within the required time after an applicant sued because of the processing delay.

Legal Aid attorneys met with HRS officials in December, and emphasized that the 90 percent compliance goal was not acceptable, asking instead for a 5 percent reduction in untimely cases each month.

"The regulations require 100 percent timeliness," said King, of Broward's Legal Aid. "We have no tolerance for anything else."

II

Calendar No. 78

100TH CONGRESS
1ST SESSION

S. 728

To improve the nutrition of the homeless, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 12, 1987

Mr. LEAHY (for himself, Mr. HARKIN, Mr. DOLE, Mr. BOSCHWITZ, Mr. MELCHER, Mr. DANFORTH, Mr. CONRAD, and Mr. DASCHLE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

APRIL 3 (legislative day, MARCH 30), 1987

Reported by Mr. LEAHY, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To improve the nutrition of the homeless, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~SECTION 1. DEFINITION OF HOMELESS INDIVIDUAL.~~

~~Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:~~

"(s) 'Homeless individual' means—

"(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

"(2) an individual who has a primary nighttime residence that is—

"(A) a supervised publicly or privately operated shelter (including a welfare hotel or congregate shelter) designed to provide temporary living accommodations;

"(B) an institution that provides a temporary residence for individuals intended to be institutionalized;

"(C) a temporary accommodation in the residence of another individual; or

"(D) a public or private place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings.".

SEC. 2. FOOD STAMP INFORMATION FOR THE HOMELESS.

(a) AUTHORITY TO PROVIDE INFORMATION.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting "except, at the option of the State agency, food stamp informational activities directed at homeless individuals" after "Act".

(b) ADMINISTRATIVE EXPENSES.—The first sentence of section 16(a) of such Act (7 U.S.C. 2025(a)) is amended by

striking out ", and (4)" and inserting in lieu thereof "(4) food stamp informational activities permitted under section 11(e)(1)(A), and (5)".

SEC. 3. EXPEDITED FOOD STAMP SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D);

(2) by inserting after subparagraph (A) the following new subparagraphs:

"(B) provide coupons no later than five days after the date of application to a household in which all members are homeless individuals and which meets the income and resource criteria for coupons under this Act;

"(C) provide coupons no later than five days after the date of application to any household that has a combined gross income and liquid resources that is less than the monthly rent and utilities of the household; and"; and

(3) in subparagraph (D) (as redesignated), by striking out "the household" and inserting in lieu thereof "a household referred to in subparagraph (A), (B), or (C)".

~~SEC. 4. VARIETY OF COMMODITIES UNDER TEFAP.~~

~~Section 202(d) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by inserting after "shall include" the following: "a variety of commodities and products thereof that are most useful to eligible recipient agencies, including".~~

~~SEC. 5. AUTHORIZATION OF APPROPRIATIONS FOR FOOD STORAGE AND DISTRIBUTION COSTS UNDER THE TEFAP PROGRAM.~~

~~The first sentence of section 204(c)(1) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1986, $60,000,000 for the fiscal year ending September 30, 1987, and $70,000,000 for the fiscal year ending September 30, 1988".~~

~~SEC. 6. IMPLEMENTATION OF EXISTING VENDOR PAYMENT EXCLUSION.~~

~~Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall prescribe regulations to carry out section 5(k)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)(E)).~~

~~SEC. 7. EFFECTIVE DATE.~~

~~Except as provided in section 5, the amendments made by this title shall become effective and be implemented as~~

~~soon as the Secretary determines is practicable after the date of enactment of this Act, but not later than 160 days after the date of enactment of this Act.~~

TITLE I—FOOD STAMP PROGRAM

SECTION 101. DEFINITION OF HOUSEHOLD.

The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(1) by striking out "or (2)" and inserting in lieu thereof "(2)";

(2) by inserting before the semicolon the following: "or (3) a parent of minor children and that parent's children (notwithstanding the presence in the home of any other persons, including parents and siblings, who do not customarily purchase food and prepare meals for home consumption together with the parent and children) except that the certification of a household as a separate household under this clause shall be reexamined no less frequently than once every 6 months"; and

(3) by inserting "(other than as provided in clause (3))" after "except that"

SEC 102. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(s) 'Homeless individual' means—

"(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

"(2) an individual who has a primary nighttime residence that is—

"(A) a supervised publicly or privately operated shelter (including a welfare hotel or congregate shelter) designed to provide temporary living accommodations;

"(B) an institution that provides a temporary residence for individuals intended to be institutionalized;

"(C) a temporary accommodation in the residence of another individual; or

"(D) a public or private place not designed for, or ordinarily used, as a regular sleeping accommodation for human beings.".

SEC. 103. FOOD STAMP INFORMATION FOR THE HOMELESS.

(a) AUTHORITY TO PROVIDE INFORMATION.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting "except, at the option of the State agency, food stamp informational activities directed at homeless individuals" after "Act".

(b) ADMINISTRATIVE EXPENSES.—The first sentence of section 16(a) of such Act (7 U.S.C. 2025(a)) is amended by striking out ", and (4)" and inserting in lieu thereof "(4)

food stamp informational activities permitted under section 11(e)(1)(A), and (5)".

SEC. 104. EXPEDITED FOOD STAMP SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D);

(2) by inserting after subparagraph (A) the following new subparagraphs:

"(B) provide coupons no later than five days after the date of application to a household in which all members are homeless individuals and which meets the income and resource criteria for coupons under this Act;

"(C) provide coupons no later than five days after the date of application to any household that has a combined gross income and liquid resources that is less than the monthly rent and utilities of the household; and"; and

(3) in subparagraph (D) (as redesignated), by striking out "the household" and inserting in lieu thereof "a household referred to in subparagraph (A), (B), or (C)".

SEC. 105. IMPLEMENTATION OF EXISTING VENDOR PAYMENT EXCLUSION.

Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall prescribe regulations to carry out section 5(k)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)(E)).

TITLE II—TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

SEC. 201. VARIETY OF COMMODITIES UNDER TEFAP.

Section 202(d) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by inserting after "shall include" the following: "a variety of commodities and products thereof that are most useful to eligible recipient agencies, including".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS FOR FOOD STORAGE AND DISTRIBUTION COSTS UNDER TEFAP.

The first sentence of section 204(c)(1) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1986, $60,000,000 for the fiscal year ending September 30, 1987, and $70,000,000 for the fiscal year ending September 30, 1988".

SEC. 203. CONTINUATION OF TEFAP.

(a) IN GENERAL.—Section 212 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "1987" and inserting in lieu thereof "1988".

(b) CONFORMING AMENDMENT.—Section 210(c) of such Act is amended by striking out "beginning October 1, 1983, and ending September 30, 1987" and inserting in lieu thereof "ending on the date specified in section 212".

TITLE III—EFFECTIVE DATE

SEC. 301. EFFECTIVE DATE.

Except as provided in section 105, the amendments made by this Act shall become effective and be implemented as soon as the Secretary determines is practicable after the date of enactment of this Act, but not later than 160 days after the date of enactment of this Act.

TITLE I—FOOD STAMP PROGRAM

SEC. 101. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(s) 'Homeless individual' has the same meaning given such term in section 3 of the Urgent Relief for the Homeless Act.".

SEC. 102. FOOD STAMP INFORMATION FOR THE HOMELESS.

(a) AUTHORITY TO PROVIDE INFORMATION.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting "except, at the option of the State agency, food stamp outreach activities directed at homeless individuals" after "Act".

(b) ADMINISTRATIVE EXPENSES.—The first sentence of section 16(a) of such Act (7 U.S.C. 2025(a)) is amended by striking out ", and (4)" and inserting in lieu thereof "(4) food stamp outreach activities permitted under section 11(e)(1)(A), and (5)".

SEC. 103. EXPEDITED FOOD STAMP SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D);

II

100TH CONGRESS
1ST SESSION

S. 812

To amend the Food Stamp Act of 1977 to provide urgent relief to improve the nutrition of the homeless, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 23 (legislative day, MARCH 17), 1987

Mr. BYRD (for himself, Mr. BRADLEY, Mr. CHILES, Mr. CRANSTON, Mr. DIXON, Mr. DODD, Mr. GLENN, Mr. GORE, Mr. HATFIELD, Mr. KENNEDY, Mr. LEAHY, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. WEICKER, Mr. KERRY, Mr. ADAMS, Mr. LAUTENBERG, and Mr. HARKIN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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A BILL

To amend the Food Stamp Act of 1977 to provide urgent relief to improve the nutrition of the homeless, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nutrition for Homeless Individuals Act of 1987".

(2) by inserting after subparagraph (A) the following new subparagraphs:

"(B) provide coupons no later than five days after the date of application to a household in which all members are homeless individuals and which meets the income and resource criteria for coupons under this Act;

"(C) provide coupons no later than five days after the date of application to any household that has a combined gross income and liquid resources that is less than the monthly rent and utilities of the household; and"; and

(3) in subparagraph (D) (as redesignated), by striking out "the household" and inserting in lieu thereof "a household referred to in subparagraph (A), (B), or (C)".

SEC. 104. IMPLEMENTATION OF EXISTING VENDOR PAYMENT EXCLUSION.

Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall prescribe regulations to carry out section 5(k)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)(E)).

TITLE II—TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)

SEC. 201. VARIETY OF COMMODITIES UNDER TEFAP.

Section 202(d) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by inserting after "shall include" the following: "a variety of commodities and products thereof that are most useful to eligible recipient agencies, including".

SEC. 202. AUTHORIZATION OF APPROPRIATIONS FOR FOOD STORAGE AND DISTRIBUTION COSTS UNDER TEFAP.

Section 204(c) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended—

(1) in the first sentence of paragraph (1), by striking out "$50,000,000 for each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1986, $60,000,000 for the fiscal year ending September 30, 1987, and $70,000,000 for the fiscal year ending September 30, 1988"; and

(2) by adding at the end thereof the following new paragraph:

"(6) Any amounts appropriated in excess of $50,000,000 for the fiscal year ending September 30, 1987, and for the fiscal year ending September 30, 1988, under paragraph (1) shall be targeted to homeless individuals (as defined in section 3(s) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)) who are otherwise eligible for commodities and products distributed under this Act, in accordance with regulations prescribed by the Secretary.".

TITLE III—EFFECTIVE DATE

SEC. 301. EFFECTIVE DATE.

Except as provided in section 104, this Act and the amendments made by this Act shall become effective and be implemented as soon as the Secretary determines is practicable after the date of enactment of this Act, but not later than 160 days after the date of enactment of this Act.

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